

Big U.S. Trade Deficit Pushes Dollar, Stock Market Down



HOLY WEEK PROCESSION — Penitents, wearing traditional robes and hoods and carrying candles, as they prepared to walk in a Holy Week procession through Malaga, Spain, in ceremonies leading up to Easter.

Dow Follows Currency in Heavy Selling

By Ferdinand Protzman and John Meehan
International Herald Tribune

A sharp expansion of the U.S. merchandise trade deficit sent the dollar to another postwar low against the Japanese yen Tuesday, and triggered tumultuous selling on U.S. stock and bond markets.

The dollar also dropped against other major currencies. The growth of the U.S. monthly trade deficit to \$15.1 billion in February, a record, and a wave of dollar sales, coordinated intervention in foreign exchange markets by European central banks, stemmed the slide in Europe, but the dollar continued to fall in New York.

In New York, the dollar fell to 140.75 yen, down from 142.20 at Monday's close, and at 1.7950 Deutsche marks, down from 1.8050 DM.

Nervousness about the dollar's weakness spilled over into other financial markets.

The Dow Jones industrial average, which fell 51.71 points on Monday, dropped another 34.09 points to 2,252.98 in the second heaviest trading day on the New York Stock Exchange. At 3:30 P.M., half an hour before the close, the Dow had been down more than 65 points. (Details, Page 12.)

In a hectic morning session on the New York exchange that was dominated by the same rumors of higher interest rates that derailed financial markets Monday, investors began selling stocks and bonds at the opening. The trend appeared to reverse itself by midmorning after analysts began reassessing the trade figures, but it resumed in the afternoon.

Foreign exchange dealers said that Tuesday's currency trading was a renewed assault on the agreement reached in Paris on Feb. 22 by six leading industrial nations to try to stabilize exchange rates around their current levels.

Since the agreement, the dollar has declined to a series of postwar lows against the yen, but has held relatively steady against other major currencies.

But news Tuesday that the U.S. merchandise trade deficit had expanded sharply in February, from a revised \$12.3 billion in January, combined with speculation on possible changes in interest rates by major industrial nations to drive the dollar below a key support level of 1.80 Deutsche marks, dealers said. (Details, Page 11.)

That development was followed rapidly by what dealers described as moderate to heavy purchases of dollars for yen by the Bundesbank, the Bank of France and the Bank of Switzerland, in a coordinated attempt to push the dollar back above 1.80 DM and 6 French francs.

U.S. credit markets were the first to come under pressure after the Commerce Department announced the trade figures. The widening deficit and the resulting downward pressure on the dollar clearly unnerved the bond market and once again gave rise to speculation that the U.S. Federal Reserve Board would be forced to raise interest rates to stabilize the dollar. Wild rumors tended to reinforce this view.

A typical story was that a major official at the New York Fed said publicly that an increase in the 5.5-percent discount rate was in the offing. "Everyone knows the Fed never comments about that," one trader said. "The rumors were outrageous."

Pressure on the dollar increased after a statement from Robert Heller, a Federal Reserve governor, opposing a U.S. discount rate increase to support the dollar.

Mr. Heller said he saw no reason for a discount rate cut now. "I certainly would not be in favor of a See DOLLAR, Page 17



Mikhail S. Gorbachev, right, with Secretary of State George P. Shultz Tuesday in Moscow.

Shultz Declines New Soviet Plan On Short-Range Arms in Europe

Compiled by Our Staff From Dispatches
MOSCOW — Tass said Tuesday night that Mikhail S. Gorbachev offered to scrap all short-range missiles in Europe but that Secretary of State George P. Shultz declined to accept the proposal, saying the Western allies would not accept it.

Mr. Shultz, according to the Soviet account, insisted on the American right to match the present Soviet superiority in the shorter-range missile force.

"What are you afraid of?" Tass quoted the Soviet leader as asking Mr. Shultz.

"After all, we are for a reliable agreement with the strictest and most comprehensive verification. If the process of liquidating nuclear weapons will begin in reality, we will take on the issue of verification the strictest position, demand verification inspection everywhere, at the site of the dismantling of the

rockets, at the site of their liquidation, at test ranges and military bases, including in third countries, in depots and factories irrespective of whether they are private or state."

At another point, Tass said that Mr. Gorbachev asked: "What did Shultz come with? Is the administration really ready to do something in the time that remains?"

Mr. Gorbachev said he was ready to include a pledge to dismantle the short-range missiles within a specified period in any East-West accord removing medium-range rockets from Europe, according to an official account released by Tass.

He said he also would be ready to dismantle all battlefield missiles, the agency said.

Mr. Gorbachev also offered the U.S. a new approach that he said was aimed at resolving their differences over President Ronald Reagan's Strategic Defense Initiative.

The Soviet leader told Mr. Shultz that the new proposals went further than an offer he made last week in Prague to freeze and then negotiate separately an accord on shorter-range missiles with a range of 300 to 600 miles (500 to 1,000 kilometers).

The proposal Tuesday appeared to expand the offer to missiles with a range of less than 300 miles.

Mr. Gorbachev said that the Soviet Union would be prepared to write into any superpower accord on medium-range missiles a pledge to dismantle its short-range rocketry "in a relatively short and clearly specified period," Tass said.

"We go further than what I said in Prague," the agency quoted Mr. Gorbachev as saying. "We are ready to liquidate our battlefield tactical missiles."

A dispute over short-range Soviet weapons has delayed an agreement to remove medium-range missiles from Europe. The West, has argued that the removal of intermediate range systems — missiles with a range of 600 to 1,000 miles — would leave the Soviet Union a 9-to-1 edge in the short-range systems.

On S.D.I., Tass said that Mr. Gorbachev told Mr. Shultz he was offering a specific definition of the S.D.I. laboratory research Moscow has said that it would accept. Mr. Gorbachev said that it could include research in laboratories, in factories and on test-ranges on earth.

He proposed specialists from both countries should agree on a list of devices whose use in space would be banned.

The Tass account of the U.S.-Soviet talks, which Mr. Shultz and the Soviet foreign minister, Eduard A. Shevardnadze, began in Moscow on Monday, was the first substantial report on their progress.

Mr. Gorbachev received Mr. Shultz for about three hours, but the tone of the Tass report indicated that little progress had been made on the topics discussed. (NYT, Reuters)

Reagan Invites Gorbachev
Mr. Shultz delivered a personal invitation to Mr. Gorbachev on Tuesday to a summit meeting in Washington, but the Soviet leader said: "Generally, without reason, I do not go anywhere, particularly America." The Associated Press reported from Moscow.

He handed Mr. Gorbachev a letter from President Ronald Reagan as the two officials and their advisers began a meeting at the Kremlin. Mr. Gorbachev, responding moments earlier to a reporter's question about the possibility of a visit to Washington, said: "This cannot be just a stroll. When I will be nearing retirement, then I may travel just for pleasure. But now I need business."

The Soviet leader has not visited Washington, although he and Mr. Reagan decided at their 1985 meeting in Geneva to hold summit meetings in both Washington and Moscow. Nor have Mr. Reagan and Mr. Gorbachev met in Moscow. The leaders held an "informal" meeting in October in Iceland.

Mr. Shultz stood impassively at the outset of the meeting Tuesday as Mr. Gorbachev commented about the possibility of a visit. At one point, the Soviet leader remarked, "Well, I think I have to be hopeful, and it just cannot be that I would avoid America in my travels."

Gesturing toward Mr. Shultz, the Soviet leader said with a slight smile, "And the secretary of state keeps silent."

At that point, Mr. Shultz pulled Mr. Reagan's letter from his pocket and handed it to Mr. Gorbachev. "You're welcome to come," Mr. Shultz said.

A Year Later, Fallout of U.S. Libyan Raids

Europeans Get Tougher

By James M. Markham
New York Times Service

PARIS — The American raids against Libya that stirred widespread protests a year ago are now widely acknowledged to have galvanized West European countries to intensify their own anti-terrorist efforts and to coordinate police operations across borders.

The efforts have been given an additional strong impulse by recurrent terrorist activity in several European countries.

Security officials in a number of nations say that in the year since the bombings of Tripoli and Benghazi, Colonel Muammar Gadhafi appears to have recoiled from sponsoring terrorist operations in Western Europe.

Higher Costs For Gadhafi

By Jane Perlez
New York Times Service

TRIPOLI, Libya — A year after the American raid on Libya, Colonel Muammar Gadhafi appears to have taken more power into his own hands but faces a nation unhappy with his costly defeat in Chad and economic chaos at home, according to diplomats in Tripoli.

The colonel has been more visible in the past six weeks than at any time since the attack a year ago, which he saw as a victory against U.S. aggression, the Western and Eastern diplomats said.

"He'll disappear for three months at a time," said one Western diplomat, "but now he seems full of vigor and seems to be in charge of everything. He seems to be running the whole show."

The army, considered the likeliest organized opposition to the colonel, is demoralized by heavy losses of men and advanced Soviet equipment in Chad, the diplomats said.

Also, they said, military officers are being constantly moved from one command post to another in an effort to prevent the officer corps from closing ranks against Colonel Gadhafi.

The defeat in Chad comes as the second major blow in a year to the Libyan military, which responded feebly to the U.S. show of power over Tripoli and Benghazi on April 14, 1986.

It is not clear, the diplomats said, who is in charge of the army. "He has no confidence in his army and can't get a strong one because he would be threatened by it," one See LIBYA, Page 8

Soviet May Give Kuwait Escort for Gulf Tankers

By Bill Keller
New York Times Service

MOSCOW — The Soviet Union announced Tuesday it will rent three oil tankers to Kuwait to transport oil through the Gulf and raised the possibility that Soviet warships may escort them.

The arrangement, which the Kuwaitis requested in hope of reducing the danger of Iranian attacks on their oil shipments, could bring the first regular Soviet naval presence in the Gulf.

Kuwaiti officials have been negotiating with several nations, including both the United States and the Soviet Union, about using their flag for oil transport, on the assumption that superpower flagships would be less likely to come under Iranian attack.

"The Soviet tankers can be escorted by warships if the Soviet side thinks it necessary," the Soviet spokesman, Gennadi I. Gerasimov, said at a press conference in announcing the agreement recently negotiated by the Soviet Ministry of the Maritime Fleet.

Western diplomats said the prospect of regular Soviet naval convoys in the Gulf would cause serious concern in the United States. "Warships mean a political presence and the ability to intervene," said a U.S. official.

Kuwait has sided with Iraq in the Iran-Iraq war, and its vessels have increasingly become targets for Iran. U.S. intelligence experts say the threat has increased with the recent installation of Chinese-made anti-ship missiles on the Iranian side of the Strait of Hormuz.

U.S. State Department officials recently disclosed that the Kuwaitis, reluctant to openly acknowledge the need for foreign protection, had rejected an American offer to provide naval escorts for Kuwaiti-flag tankers.

Instead, the Kuwaitis proposed See SHIPS, Page 2

Walesa Barred From Italy Trip

WARSAW (Reuters) — Polish authorities have refused to let Lech Walesa, the founder of Solidarity, pay an immediate visit to Italy but said they would not prevent him from traveling abroad during summer vacation.

The government spokesman, Jerzy Urban, said Tuesday that Mr. Walesa was told Monday that he would not be given leave from his shipyard job in Gdansk to travel to Rome at the invitation of Italian unions.

However, Mr. Urban said that if Mr. Walesa asked for a passport in July or August, "no obstacles will be put in his way." Mr. Walesa has often said that he feared that the authorities would not allow him to return to Poland if he left.

New Setback in Rome

ROME (Reuters) — Oscar Luigi Scalfaro, the Christian Democrat prime minister-designate, gave up his efforts to form a new government four days after being appointed, bringing the prospect of a June election even closer.

Kiosk

For Salieri, Signs of a Revival

By David Stevens
International Herald Tribune

PARIS — Call it a groundswell, call it a revival, but a new global lease on life has been given to the music of the 18th-century composer Antonio Salieri and to the legend that he poisoned Wolfgang Amadeus Mozart.

The impetus was "Amadeus," Milos Forman's 1984 film based on Peter Shaffer's widely performed play — which argued in glorious technicolor that Salieri was Mozart's envious and perhaps deadly rival.

Dr. Rudolph Angermüller of Salzburg, an authority on both composers, agrees that the movie has had "an enormous effect" on public interest in Salieri.

"It is a good film, a very good film," he said in a telephone interview, stressing the word "film" in a way that made it clear that it was not to be confused with history.

For Salieri, Signs of a Revival

Whatever the truth, there are widespread signs of the Salieri revival.

• In Tokyo, where the film and play are both running, the Suntory Museum is showing a major exhibition, (to May 5) also entitled "Amadeus."

• Salieri composed about 40 operas over about 35 years, none of them known to a modern public. But several have recently been given stage or concert performances and others are planned. His "Falstaff" was recorded last year, was performed in Parma in January, and will open the Bordeaux May Festival early next month. Critical editions of several operas are being prepared for publication.

• In 1984, the year the film was released, the Schwann record and tape catalog listed only four Salieri titles, the most important a concerto for flute and cello. Now the "Falstaff" a piano concerto and other works have been added to a still-growing list.

• Concerts last weekend at Rider College in Lawrenceville, New Jersey. See SALIERI, Page 8



Antonio Salieri



Student Protesters, Police Clash in Turkey

Policemen, including a plainclothesman, scuffled with two students Tuesday in Istanbul during a demonstration to protest proposed changes in student unions. At least 95 students were detained by the police following unauthorized marches in several cities. A government bill seeks to abolish existing student unions at each of Turkey's 27 universities and force all students to join a single union. Students fear that the new union would come under the control of university officials.

At Moscow Seder, Heady Hopes

Dissidents Take Heart From 'Glasnost,' Pledge by Shultz

By David K. Shipler
New York Times Service

MOSCOW — In even the most tranquil times, the first night of Passover is full of turbulent emotions for the Jews who have been trying to emigrate from the Soviet Union. The words "next year in Jerusalem," pronounced during the traditional seder, have both a hopeful and a hollow sound.

On Monday night, however, at a time of ferment and liberalization inside Soviet society, the yearning took on a new intensity and a grander scope as Secretary of State George P. Shultz attended the beginning of a seder at Spaso House, the U.S. ambassador's residence, for about 50 of the most prominent and longstanding would-be Jewish émigrés and their families.

Many who were at the seder had been in prison or in Siberian exile for having called on Washington to pressure the Soviet authorities to relax the emigration restrictions.

Mr. Shultz, an Episcopalian, wore a white yarmulke as he went to each table, shook every hand and exchanged a few words with almost everyone. He seemed in awe of the cheerful, resolute men and women, whose names were familiar to him from the lists he presents at every meeting with top Soviet officials.

They were names that have been emblazoned on the signs carried by demonstrators in the West for more than a decade: Alexander Y. Lerner, Vladimir Slepak, Victor Brailovsky, Ida Nudel, Josef Z. Begun, Naum Meiman, Abe Stolar, Yevgeni Yakir, Arkadi Mai and others.

"There are a lot of famous people in this room," said Richard Schifter, assistant secretary of state for human rights and humanitarian affairs.

He was speaking to Mr. Lerner, a computer scientist who has been seeking an exit visa since the early 1970s. In that time, his daughter has emigrated to Israel and his wife has died.

Mr. Shultz presented a handwritten bound copy of the Haggadah, the ritual readings and prayers that accompany the Passover meal, to Mr. Begun, a sinewy dissident who was released from his third term in prison in February but has

not received permission to leave the Soviet Union.

Mr. Shultz then gave Mr. Slepak a framed photograph of the Slepak grandchildren, who live in the United States. Mr. Slepak, with a gray beard and a ruddy face, has the look of a prophet. He has been waiting 17 years for an exit visa and has served several years in exile.

The picture had come from Mr. Slepak's two sons, Alexander and Leonid, who emigrated some years ago and who met with Mr. Shultz in Washington last week.

"A picture is better than nothing," Mr. Shultz said sympathetically. "We have four grandchildren. They've just been at our house for a couple of weeks. We're very grandchildren-oriented."

Mr. Slepak replied, "I'm so moved by your attention."

"I think he made an extremely important gesture," said Viktor Brailovsky, a mathematician who was exiled for five years in Kazakhstan. "This is something that never occurred before. It came at a very important time when we, as perpetual optimists, see an opportunity for the solution of our problem."

Another hint of improvement was news from Vladimir O. Feltsman, a virtuoso pianist, that "after eight years of silence" imposed on him after he applied to emigrate, he would be allowed to give a concert in Moscow on April 21.

Not everyone was as sanguine, however. Some cited an article published in the newspaper Sovetskaya Rossiya in early April asserting that Western leaders wanted the dissidents to emigrate because they possessed state secrets.

Some saw in the article the seeds of a campaign to smear the Jewish dissidents with espionage charges. Mr. Mai and his wife, Helen Seidel, said they were summoned three weeks ago for questioning by a counterintelligence officer. The officer, they said, warned that because Mr. Mai held unspecified secrets, he should not associate with U.S. diplomats.

Mr. Shultz's appearance was a precedent for a U.S. secretary of state. When Mr. Shultz and his predecessors were in Moscow on past occasions for high-level talks on

arms control, they calculated that meeting dissidents would sour the atmosphere and damage the talks.

For the last two years, the embassy has held a seder for Jews who have been refused permission to emigrate. When Mr. Shultz was asked if he wished to attend, he agreed. After all, U.S. officials reasoned, the Soviet leader Mikhail S. Gorbachev has been preaching glasnost, or "openness," and the United States has been preaching liberal emigration.

Jewish emigration, having reached a high of more than 51,000 in 1979, has fallen to a trickle in recent years. But there was a slight rise last month, accompanied by hints of further liberalization.

The kosher food and wine was brought to the Soviet Union on Mr. Shultz's plane. About 75 people, one-third of them Americans, sat at round tables in the ballroom of the mansion that serves as Ambassador Jack F. Matlock Jr.'s residence.

"We never stop," Mr. Shultz told the would-be émigrés. "And if our hopes are disappointed, we keep on. We think about you, we pray for you, and we are with you. On every occasion we meet with the Soviets we will always bring this subject up, and they know it."

"Whether it seems to be a time of hope or a time of disappointment," he added, "our effort is always there. But we never give up, we never stop trying, never give up, never give up."



Secretary of State George P. Shultz at the seder in Moscow.

Syria Troops Move South Along Road To Sidon

By Nora Boustany
Washington Post Service

BEIRUT — About 100 Syrian soldiers deployed Tuesday along a strategic coastal highway linking Beirut to southern Lebanon, edging closer to Israel's northern border and nearer to Palestinian camps controlled by loyalists of Yasser Arafat, the leader of the Palestine Liberation Organization.

They took up positions at four key points beside soldiers of the Lebanese Army 6th Brigade, thus extending Syrian control south of Beirut for the first time since 1981.

More than 7,000 Syrian troops entered Beirut on Feb. 22 at the request of Lebanese Moslem ministers to quell inter-militia fighting and to end anarchy in the Moslem-dominated western half of Beirut.

The southward deployment followed clashes between the Shiite Amal militia and Palestinian guerrillas entrenched in hilltop positions overlooking the port city of Sidon.

A week ago, Syrian soldiers and military observers entered besieged Palestinian camps in Beirut, partially lifting a five-month blockade imposed by Amal, Syria's main Lebanese ally.

The Syrian decision to end the so-called camps war between Amal militiamen and Palestinian guerrillas was prompted by Arab and international pressure to alleviate the suffering of the civilian population trapped in the shantytowns without adequate food or medical care.

The stationing of Syrian troops up to the Awali bridge, 28 miles (45 kilometers) south of Beirut and 30 miles north of Israel's northern border, raised fears of possible tension with Palestinian fighters in the camp of Ain al-Helweh, a main Arafat stronghold.

Israeli troops withdrew from the Awali bridge and the Sidon area in February 1985, two and a half years after the 1982 invasion of southern Lebanon.

Israeli soldiers are still positioned inside a security zone, a six-mile-deep strip of land adjacent to Israel's border with Lebanon. The South Lebanon Army, a southern Lebanese militia trained, equipped and financed by Israel, helps Israeli soldiers man the border strip.

Last week Syrian troops ventured south of Sidon while escorting a convoy of ammunition for Amal past Palestinian positions near Sidon.

WORLD BRIEFS

Russians, Czechs Rebuff Press Reports

BONN (Reuters) — The Soviet Union and Czechoslovakia held a joint news conference in Bonn on Tuesday to counter what they called Western speculation that Prague was resisting the Kremlin's policy of reforms. The Soviet ambassador, Yuri Kvitsinsky, joined his Czechoslovak colleague, Dusan Spacil, at Prague's embassy to report on the visit of the Soviet leader, Mikhail S. Gorbachev, to Czechoslovakia last week. Soviet leader, Mikhail S. Gorbachev, to Czechoslovakia last week. "Mr. Kvitsinsky decried Western press reports that he said described 'fear and uncertainty' among the Czechoslovak leadership. 'In fact, of course, it was all quite otherwise,' he said. 'We need to alter our lives in all aspects, and the brotherly kiss, not reported by the West German mass media, is a symbolic proof of this.'"

Disclosures Halt Hinckley Hearing

WASHINGTON (WP) — John W. Hinckley Jr., who shot President Ronald Reagan in 1981, wrote a letter recently to Theodore Bundy, who is on death row in Florida for mass-murder convictions, expressing a "sorrow" and "his feelings of the awful position that Bundy must be in," a psychiatrist has testified. The doctor also testified that several years ago Mr. Hinckley remained at the address of Charles Manson so he could write to him. Mr. Manson is the address of Charles Manson for leading followers in the cult serving a life sentence in California for leading followers in the cult murders of the actress Sharon Tate and six other persons in 1969. The surprise testimony Monday brought an abrupt adjournment of a special hearing in federal court in Washington on whether Mr. Hinckley would be permitted a one-day unescorted Easter visit with his parents. Mr. Hinckley has been confined to St. Elizabeths Hospital here since he was found not guilty by reason of insanity in the March 30, 1981, attack on Mr. Reagan and three others. Prosecutors said Tuesday that Mr. Hinckley had written Mr. Bundy three or four letters after initiating the correspondence last spring, United Press International reported.

Dublin Starts Passport Inquiry in U.K.

DUBLIN (UPI) — Ireland sent a team of investigators to London on Tuesday to sift through thousands of passport applications in an inquiry into allegations that Irish travel documents may have been passed to international terrorists and drug smugglers. At the same time, an Irish official who dropped from sight after he was ordered home from London for "consultations" in the case contacted the Irish Embassy in London through his attorney, but government officials declined to disclose details of the conversation. Meanwhile, Prime Minister Charles Haughey's cabinet met Tuesday in Dublin to study allegations in the London-based newspaper Sunday People claiming that falsified Irish passports were available from the country's London embassy for prices ranging up to £15,000 (\$24,400). News reports said that about 500 Irish passports had been sold over the past five years, many of them to Arabs who may have passed on the documents to international terrorist and drug smuggling networks.

India May Free 376 Sikhs in Peace Bid

NEW DELHI (AP) — The government said Tuesday that it might release 376 Sikhs detained since the Indian Army's assault on the Golden Temple in June 1984 as a peace overture in Punjab. They have been held without trial since the attack on the shrine in Amritsar, in which about 600 were killed. Witnesses have said nearly 1,000 died. Their release is one of the main demands by Sikh militants who seek an independent homeland in the northern state. The government will begin to review their cases "in two or three days," the human resources development minister, P.V. Narasimha Rao, said. The announcement followed talks between Prime Minister Rajiv Gandhi and the Punjab chief minister, Surjit Singh Barnala, in New Delhi. Meanwhile, the Supreme Court stayed on Tuesday the executions, pending appeals, of three Sikhs convicted of the assassination of Prime Minister Indira Gandhi in October 1984. The stay was ordered after appeals by Sarwan Singh, Kehar Singh and Balbir Singh against the death sentences handed down and confirmed last year.

Paraguay Said to Arrest 7 Opponents

ASUNCION, Paraguay (Reuters) — The police have arrested seven opposition politicians for meeting without permission less than a week after a state of siege decree was lifted in the Paraguayan capital, according to an opposition leader. The police did not confirm or deny the arrests. "This is the first expression that the lifting of the state of siege has in no way changed the authoritarian attitude of the government," Juan Manuel Benítez Florentín, president of the main opposition Authentic Liberal Radical Party, said Monday. The seven arrested are being held incommunicado in Asunción, he said. President Alfredo Stroessner, who has ruled Paraguay since 1954, ended the state of siege in the capital on April 1. It was lifted outside the capital in 1970.

Hess Asks Allied Leaders for Freedom

BERLIN (AP) — Rudolf Hess, the last of the Nazi leaders in prison, has written a letter to the leaders of the four World War II Allies asking that he be released from Spandau Prison in West Berlin on humanitarian grounds, West German television said Tuesday. He will be 93 on April 23. Hess wrote to President Ronald Reagan, Mikhail S. Gorbachev, the Soviet leader, Prime Minister Margaret Thatcher of Britain and President François Mitterrand of France on March 30, the sources said. The weekly magazine Der Spiegel said Saturday that Mr. Gorbachev was considering the release of Hess, who was Hitler's deputy.

For the Record

The latest round of the Chinese-Russian talks on the normalization of relations opened in Moscow on Tuesday and will last a week, a Soviet Foreign Ministry spokesman said Tuesday. The 10th round is being conducted by the Soviet deputy foreign minister, Igor Rogachev, and his Chinese colleague, Qian Qichen. A Nairobi court has sentenced a former Kenyan student, Peter Mwangi, to 15 months in prison for passing political information to the Libyan Embassy in Nairobi, newspapers there said Tuesday. (Reuters) Belgian customs officials seized a consignment of anti-tank rockets made in North Korea and destined for Angola at the Ostend airport, informed sources said in Brussels on Tuesday. (APF)

TRAVEL UPDATE

France to Expand Highway Network

PARIS (Reuters) — France will expand its road network by more than half again over the next 10 years to further open the nation to its European neighbors, according to Prime Minister Jacques Chirac and Transport Minister Pierre Mhaignerie.

Mr. Chirac and Mr. Mhaignerie told a news conference Monday that the project would be partially financed by about 2 billion francs (\$333 million) from a government program to sell 65 state-owned companies. The expansion was prompted by plans to build a tunnel linking France and Britain by 1993, by Spanish and Portuguese accession to the European Community, and by the decision to hold the 1992 winter Olympic Games in the French Alps and the summer games in Barcelona.

Complaints About U.S. Airlines Soar

NEW YORK (NYT) — Consumer complaints about U.S. airlines nearly doubled in March from the same time a year ago and increased by 52 percent in the first three months this year, according to figures released by the Transportation Department. More than a third of the complaints involved flight delays or cancellations, mainly on recently merged airlines. Complaints about lost baggage, busy telephone reservation lines and problems obtaining refunds also increased substantially. Flights to the Maldives were canceled and tourists were evacuated when storms lashed the Maldivian Islands for three days and 20,000 homes were flooded, a Maldivian diplomat said in Sri Lanka on Tuesday. (Reuters) Venezuela is considering an AIDS-free certificate as an entry requirement, Health Minister Otto Hernandez said Tuesday. (APF)

SHIPS: A Soviet Role in the Gulf

(Continued from Page 1)

the idea of having some of their ships change registration and fly the U.S. flag. U.S. officials said Tuesday that the idea is still under serious consideration. Mr. Gerasimov said at first that the ships rented from the Soviet Union would fly Kuwaiti flags, but then consulted his notes and said, "It is possible in the future that they would fly Soviet flags."

Western analysts said it was unlikely the Kuwaitis would welcome a Soviet military escort if the ships were flying Kuwaiti flags, for the same reason they have rejected offers of U.S. Navy protection.

The agreement with Kuwait is one sign of growing Soviet uneasiness about efforts to fortify the U.S. position in the Gulf.

Defense Secretary Caspar W. Weinberger recently ordered the navy to station an aircraft carrier

with several escorts near the Gulf at all times in an effort to fulfill President Ronald Reagan's pledge to keep oil flowing to U.S. allies in Europe and Japan.

American diplomats have also renewed promises of support to moderate Gulf nations in an effort to reassure them that the United States does not plan to reduce its role in the region following the controversy over the arms deliveries to Iran.

After reports of the increased U.S. naval presence in the Gulf, Mr. Gerasimov last week accused the United States of building up tensions in the region in hopes of "intimidating the countries of the Persian Gulf to force them to invite the United States to become their protector."

The Soviet Union and the United States have taken roughly similar positions on the Iran-Iraq war, calling for a negotiated settlement but, barring that, favoring the defeat of Iran. Both sides see an Iranian victory as a major threat to stability in the region.

Greece Cautious On Turkey EC Bid

ATHENS — Greece took a "wait and see" stance Tuesday on Turkey's formal application to join the European Community and said it awaited the reaction of its EC partners with interest. Turkey's application was presented in Brussels earlier Tuesday by Ali Bozer, the Turkish minister of state in charge of community affairs.

Greece has blocked Ankara's entry to the EC for years, citing the presence of Turkish troops in Cyprus and what it calls the violation of human rights in Turkey, a Turkish government incompatible with EC countries, and unsatisfactory economic conditions.

But when asked Tuesday for Greece's reaction to Turkey's formal application, which was made earlier Tuesday, a government spokesman said merely: "Greece awaits with great interest the reactions of other EC partners. It is an issue that pertains not only to Greece."

But when asked Tuesday for Greece's reaction to Turkey's formal application, which was made earlier Tuesday, a government spokesman said merely: "Greece awaits with great interest the reactions of other EC partners. It is an issue that pertains not only to Greece."

Rival PLO Chiefs Hold Talks In Effort to End Differences

By Ihsan A. Hijazi
New York Times Service

BEIRUT — Leaders of rival factions of the Palestine Liberation Organization have met for the first time in four years in an attempt to end their differences.

They met in Algiers on Monday before an April 20 session of the Palestine National Council, which the Palestinians call their parliament-in-exile.

Middle East analysts said they were skeptical that the Palestinian leaders could reach an agreement because of their deep-rooted divisions and complex problems bearing on PLO policy and relations with Jordan, Egypt and Syria. "Only if they decide to adopt no policy at all would Palestinian leaders arrive at a common denominator," said a Western diplomat who monitors PLO activity.

On hand for the talks are the organization's three main figures, Yasser Arafat, the organization's chairman and head of the main-

stream el-Fatah movement; Dr. Georges Habash, secretary-general of the hard-line Popular Front for the Liberation of Palestine, and Nayef Hawatmeh, secretary-general of the Marxist Democratic Front for the Liberation of Palestine.

Also taking part are officials from the Iraq-sponsored Arab Liberation Front; the Popular Struggle Front, a splinter group led by Dr. Samir Ghosheh; both factions in the Palestine Liberation Front; the Soviet-backed Palestine Communist Party and the Fatah Revolutionary Council.

One Palestine Liberation Front section is led by Mohammed Abbas, better known as Abul Abbas. His group hijacked the Italian cruise liner Achille Lauro in the Mediterranean in October 1985.

Fatah Revolutionary Council is an underground organization led by Sahri el-Banna, who is known as Abu Nidal. The group broke away from Fatah 14 years ago.

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Moscow Affair Stings Marines

Sergeant Likens Charges to a Punch 'Right in the Gut'

By Richard Halloran
New York Times Service

QUANTICO, Virginia — Master Gunnery Sergeant Michael Hakim was succinct about the accusations against Marine Corps guards who served in Moscow: "It hurts."

Sergeants at the Marine Corps base here have been stung deeply by the charges of espionage filed against two Marines, of suspected espionage charges against a third, and of charges of failing to report social contacts with Soviet women against a fourth Marine.

After the charges, the entire contingent of 28 Marines assigned to the U.S. Embassy in Moscow was ordered back to the United States to be questioned and reassigned, as were the six Marines on duty in the consulate at Leningrad.

The State Department said Monday that 15 replacements had arrived in Moscow and that some of the former security detachment had left Monday. Meanwhile, Pentagon officials said the trial of Sergeant Clayton Lonetree, the first Marine arrested, might begin in Quantico as early as next week.

The sergeants expressed dismay, embarrassment and anger at the accused Marines, and at the press and the public for what they felt was the maligning of the Marine Corps.

Corps for the reported misdeeds of a few.

In interviews Monday, each of the sergeants was careful to note that the charges against the Marines on duty in Moscow have yet to be proved in court and that, regardless of the outcome, the Marines are determined to carry out their duties.

Marines, they said, felt the sting of the scandal more than members of a civilian organization might because of their emphasis on a proud and visible tradition. In the view of some advisers and critics alike, the Marine Corps generates a fervor approaching that of a cult.

The sergeants are on the staff of the Noncommissioned Officers' School, which trains newly promoted staff sergeants with about seven years of service and new master sergeants with about 17 years of service. The sergeants selected for this duty are not only trainers but role models who set standards for other noncommissioned officers.

Sergeant Hakim pointed to the sense of brotherhood in the corps. "It's kind of like we were a family and my brother was hooked on drugs and blemished our family name," he said. "It hurts, but the Marine Corps will survive."

Another master gunnery sergeant, Cecil L. Turnbow, who was a

guard at the Moscow embassy in 1969, said he took the blow personally.

"When I first heard the news, he said, 'it was as if someone on your team bit you right in the gut.' Sergeant Turnbow expressed little sympathy for unmarried Marines in Moscow, where several have been accused of having sexual relations with Russian women. When he arrived there as a bachelor, he said, a civilian security official pointed out an attractive Russian woman who was an employee of the embassy.

"He told me: 'Cecil, if I catch you so much as looking cross-eyed at that woman, you're out of here,'" the sergeant said.

Sergeant Turnbow said a year in Moscow was not much different from the year many married Marines spend on the Japanese island of Okinawa without their families. Despite the restrictions in Moscow, there were people from other embassies to meet and things to do.

"I grew up in New Mexico," he said, "and the ballet was the furthest thing from my mind. But I went in Moscow."

Sergeant Turnbow, who serves at the Noncommissioned Officers' School and is an adviser to students, said questions about the incident had come up in discussion groups. A recurring theme, he said, was, "This is America, and whether it's one of ours or not, he's not guilty until proven guilty."

Master Sergeant Howard R. Wilson, another former embassy guard who also served in Lisbon, Vatican City and Dublin, said younger Marines who work for him now were surprised that there might be attempts to entice Marines into espionage. Older Marines, he said, were more aware of the possibilities.

Sergeant Wilson also said his friends who are instructors in the nearby security guard school were anxious to prove that what had happened in the Soviet Union was an isolated case. "When you encounter a bad situation," he said, "Marines regroup and prove everybody wrong."

Sergeant Major B.P. Ross said: "We're being maligned and battered without anyone having been convicted. For the actions of a few, we are all being condemned."

5 Marines Sent Home From Vienna Embassy

The Associated Press

VIENNA — Five Marine guards have been sent home from the U.S. Embassy in Vienna on suspicion of having had "social contact" with East Europeans during previous assignments in the Soviet bloc, an embassy official said Tuesday.

The official, who spoke on condition of anonymity, said the five left Vienna on Sunday. All served in East European nations before coming to Vienna, but the official refused to say where.

Some U.S. embassy spokesmen in the East bloc, reached by telephone from Vienna, indicated that no Marines had been withdrawn from those posts so far in what appears to be a widespread investigation of mission security.

Sergeant Clayton Lonetree, one of two Marine guards accused of espionage after fraternizing with Soviet women while serving in Moscow, was working at the U.S. Embassy in Vienna when he was arrested in December. Some Western reports have alleged that Sergeant Lonetree divulged plans of the U.S. Embassy in Vienna to Soviet security agents before his arrest.

In Vienna, the embassy official said the recall of the five Marines "is part of a continuing review of security procedures at many U.S. embassies, including the one in Vienna, following the discovery of Soviet espionage attempts at the U.S. Embassy in Moscow."

Thatcher's Lead Solid, Polls Show

Reuters

LONDON — Two public opinion polls gave Prime Minister Margaret Thatcher's governing Conservative Party a commanding lead on Tuesday, fueling speculation that she would call an early June election.

A telephone survey in the Sun tabloid showed the Conservatives 17 percentage points ahead of the Labor Party. It was the biggest rating yet for Mrs. Thatcher. Another poll, commissioned by a financial investment company, said the Conservative Party was 13 percentage points ahead of Labor.

The poll results raised expectations in political circles that Mrs. Thatcher would opt for an early June election in her bid for a third term in office. She does not have to call elections until June 1988.

Tire Store Bombed in Spain

Reuters

PAMPLONA, Spain — A bomb exploded outside a Michelin tire store in Pamplona on Monday night. No one was injured in what the police said was the latest attack against French interests in the Basque region of Spain.

AMERICAN TOPICS

Patients Not Told To Quit Smoking

Doctors are in the best position to persuade their patients to stop smoking, but a survey suggests physicians are not using their influence as much as they should. More than half the smokers polled by federal Centers for Disease Control said their doctors never have advised them to quit.

A survey of 5,875 smokers in Michigan found that only 44 percent reported ever being told by their physicians to kick the habit, despite clear evidence of its dangers and official recommendations by the American

Medical Association, the biggest U.S. professional group for doctors, to do so.

"Doctors still enjoy more prestige in this country than any other profession," said Dr. Ronald Davis, a health education researcher for the Centers.

"With that position in society, doctors are obligated to try to get their patients to quit smoking because they have a better chance of doing it than anybody else."

Short Takes

The key to succeeding as a president is a balanced and secure personality. This was the

one point of apparent agreement among more than 60 scholars and former presidential confidants who gathered recently at Princeton University to analyze modern presidential leadership, the Los Angeles Times reports. And the best way for a president to be balanced and secure, according to Wilbur J. Cohen, an educator who has served under six presidents, is "to have a mother who loves you and nurtures you."

He cited the maternal care and affection lavished on Franklin D. Roosevelt and John F. Kennedy.

Mark Rudd, who led student demonstrations against Vietnam and the established order at Columbia University in 1968, visited his old campus the other day for a speaking engagement.

Now 39 and the divorced father of two, Mr. Rudd has been teaching at a vocational school in New Mexico and writing an

autobiography. He predicted that Nicaragua will be for the present generation what Vietnam was for his. He said that even now that "I'm un-Vietnam." But he sounded mellow, lower than two decades ago when he called for the authorities to be put "up against the wall." He said: "I don't think that power is a realistic short-term goal anymore. I think our short-term goal is education."

Ronald Reagan, who has stated that his memory failed over certain aspects of the Iran arms affair, said in remarks to the College of Physicians in Philadelphia early this month, "For me, politics is forgive and, as you may have heard sometimes, forget."

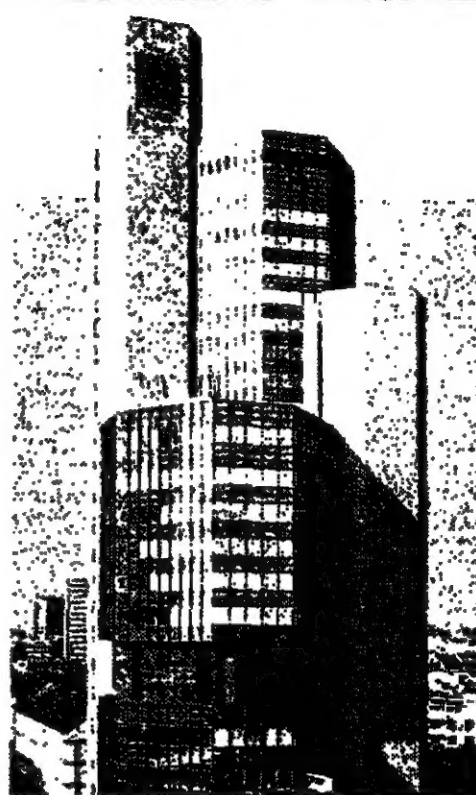
—ARTHUR HIGBEE

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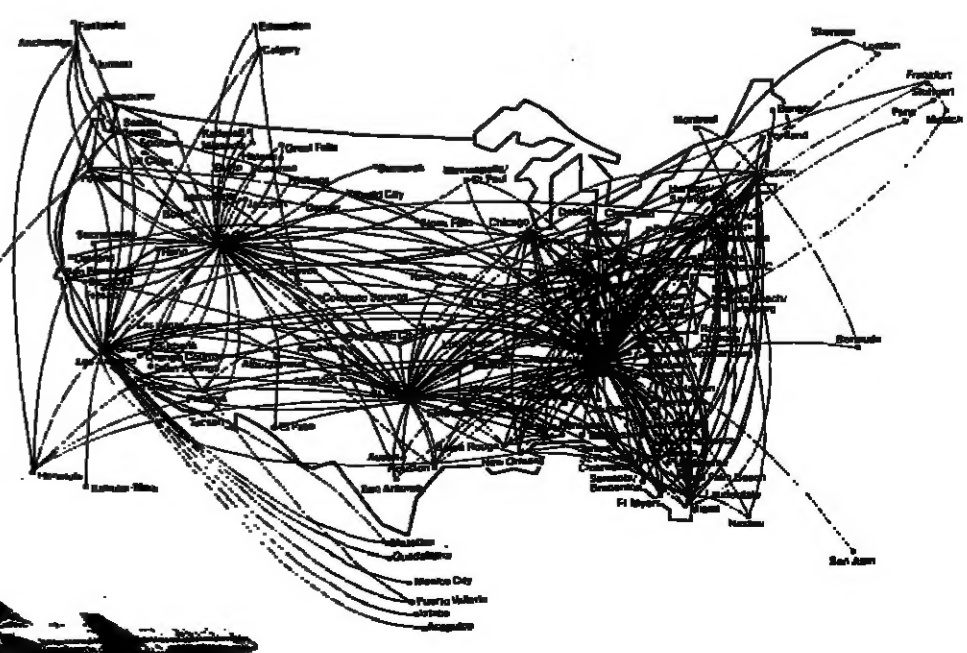
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A Korean Step Backward

Something ominous has happened in South Korea. The government has suspended its constitutional talks. Those talks were not only South Korea's best hope to modernize its political system but also its best safety valve. The opposition's disabilities were not a forcing event that required Mr. Chun to turn off that valve.

That he has done so makes it the more urgent for him to open another. Basic civil and political rights — free speech, assembly, press and petition — could be broadened now. They should not be held hostage to negotiations over constitutional change.

Through the seven Chun years, a feeling has grown in some Korean quarters that the United States is responsible for the military's political hold. A major speech by Assistant Secretary of State Gaston Sigur last February, in which he suggested that South Korean military rule lacked legitimacy, was a catch-up effort to identify Washington with peaceful democratic change. In fact, the whole prospect of U.S. policy in Korea is threatened by President Chun's new act.

For decades the United States has supported South Korea's security and growth, but the time is overdue for political reform of the sort Mr. Chun has foreclosed. His lapse narrows the ground on which the two countries can work together for common goals.

— THE WASHINGTON POST.

A Bizarre Texas Tale

If it were a movie, only George Lucas would dare direct: Texaco, America's eighth-largest industrial corporation, is threatened with ruin by the largest legal damage judgment ever awarded. Only bankruptcy, the biggest bankruptcy proceeding ever, can save it.

But this is no movie. Thousands of jobs and the ownership of billions in productive assets are clouded by the caprices of the Texas legal system. The best hope now is that the Texas Supreme Court can speedily repair the offense to justice — and to the state's reputation as a good place to do business.

The bizarre tale began in January 1984, when Texaco outbid a smaller rival, Pennzoil, for control of Getty Oil. Pennzoil sued, claiming that Texaco had enticed Getty into breaking a binding contract. In December 1985 a Houston judge and jury awarded Pennzoil an astounding \$10.5 billion in damages, plus interest.

Months of frenzied legal maneuvering followed. Texaco failed to obtain a new trial or a significant reduction in the crippling damage judgment. The company was unable either to settle out of court with Pennzoil or to meet the \$10 billion bond required by Texas to continue the appeals process. Thus Texaco has now sought refuge in federal bankruptcy court in New York. The federal judge will be to protect the rights of Texaco's creditors, including Pennzoil, while protecting the giant oil company's capacity to carry on business.

That is the first sensible development in this long litany of wrong turns. The U.S. Supreme Court was certainly right in ruling that Texaco should pursue remedies in state courts before turning the matter into a federal case. But to date, the behavior of the

Texas courts has been reminiscent of what passes for justice in small countries run by despots in mirrored sunglasses.

The first judge in Texaco vs. Pennzoil refused to step down even after it was discovered that he had taken a \$10,000 campaign contribution from Pennzoil's lawyer. The second judge, assigned when the first became ill, was a specialist in divorce law who retired 20 years before.

Perhaps Texaco did violate the law; that is a complicated question yet to be examined by a judge who is knowledgeable in corporate law. Even so, the punishment meted out by the Texas court hardly fits the crime.

Pennzoil originally planned to buy a chunk of Getty for \$5.3 billion, about 10 percent less than Texaco later paid. The Texas court ruled that Pennzoil was entitled to \$7.5 billion in compensatory damages alone. This implied that the property was actually worth \$12.8 billion — the offering price of \$5.3 billion plus \$7.5 billion for potential lost earnings. Neither the judge nor the jury explained why Getty's stockholders would have been foolish enough to sell out for \$7.5 billion less than full value.

Chapter 11 bankruptcy prevents Pennzoil from squeezing Texaco while the parties fight out the merits in court. Bankruptcy also gives Texaco an ace in the hole: The bankruptcy judge has no right to second-guess a state court jury, but federal law may give him discretion to reduce the damages to as little as a few hundred million dollars.

The best remedy, though, would not come from federal courts. The state of Texas owes Texaco a hearing before a competent, unbiased judge and jury. The eyes of justice are upon it.

— THE NEW YORK TIMES.

Hart's Second Chance

The scene was the Red Rocks Amphitheater, 16 miles from Denver, and the speaker, having just driven over in his Jeep from his home in nearby Troublesome Gulch and talking as the television cameras recorded him in front of the snowcapped Rocky Mountains, was Gary Hart. "Ideas are what govern this country," he told the reporters and cameramen who had been bused up for the eight-minute announcement, "and governing is what this election is all about."

Thus came the official beginning of Gary Hart's second campaign for president. The man who started as a long shot in 1983 starts in 1987 with a big lead in the polls, though he is quick to concede that early polls, with a field of unknowns, do not mean much.

Mr. Hart has some basis for claiming he is the candidate of ideas. He has produced some thoughtful position papers that give every sign of reflecting the candidate's views and not just those of his staff.

He has taken some venturesome stands, backing an oil-import fee (a bad idea in our view but one that gained him support in Texas) and stoutly opposing all protectionism (a good idea, and one that hurts him among union leaders). He has a long record of supporting military reform and talks now of something called a Strategic Investment Initiative. For years he has tried to distinguish himself from Democrats whose solution for every domestic problem is more federal spending — though in the

Senate he usually supported such programs. But ideas are not all there is to a campaign: Human beings choose which ideas will govern. And there apparently still is some unease with Gary Hart the person. You can cite specific reasons: He changed his name and for years reported a false birth date; he has not been able to win the support of more than a handful of his peers; he has not been able to pay off his 1984 campaign debt. He was at pains in his 1974 Senate and 1984 presidential campaigns to portray himself as the tribune of an idealistic young generation of which, chronologically at least, he is not a part.

Anyway, you will not hear the generational theme much; Mr. Hart is now one of the oldest Democrats running. What you will hear and see is a lot more of Gary Hart. The same television cameras that show candidates in front of snowcapped peaks also show them making tough decisions and responding to crises under pressure.

In 1984 Mr. Hart did not perform as well as he needed to to beat Walter Mondale, but did well enough to give himself the wide if not deep support he has today. Since November's elections he has been a sure-footed spokesman for his party and his own candidacy. Now comes the examination of his ideas, which he welcomes, and the relentless analysis of his character, with which he still seems uncomfortable.

— THE WASHINGTON POST.

Other Comment

Plenty of Food — for a Price

There is now a substantial world surplus of food. Twenty-five countries, including some European Community nations, Canada, Australia, Argentina, China, India, even Saudi Arabia, are net exporters of grains.

The growing food surplus has been exacerbated by national policies of subsidizing farm outputs. World agricultural subsidies, which totaled about \$20 billion in 1970, have

risen to about \$150 billion. In the United States, aid to farmers is expected to reach \$27 billion this year. The 12 EC countries spent \$23 billion in 1986; Japan spent \$15 billion. The subsidies have led to excessive production and low prices for grains sold on the world market. The people who are taxed to provide the subsidies usually do not enjoy the benefits of the low world prices.

— From an article by Philip H. Ashton in Science magazine (Washington).

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OPINION No: All These 'Zero Options' Are Wrong for Europe

By Frederick Bonhart

RUSSELS — The West keeps on falling into traps set by itself. There is a great danger that Western governments will gradually weaken the West's ability to defend itself, due to lack of perspective and lack of confidence in their own ability and resolve to push through consistent policies. Freedom to criticize government decisions is the very basis of Western societies, and the Soviet leadership knows how to exploit this for its purposes.

We are about to see it again in the dispute over shorter-range ballistic missiles, a critical point at the Geneva negotiations. The "zero option" for medium-range missiles, however useful in reducing East-West tension, is strategically a mistake. We are now heading for a zero option in shorter-range missiles. NATO officials believe that Secretary of State George Shultz will be hearing such a proposal in Moscow this week. The end result will be a well-known and well-publicized aim of the Soviet Union: a denuclearized Europe.

It all started in 1978 with the so-called neutron bomb. That small nuclear weapon with its reduced blast effect but strong immediate radiation power would be an effective

means of inhibiting attacks by massed Warsaw Pact tanks and troops without causing too much damage to nearby people and structures. But it was soon branded a "capitalist weapon that preserves property while destroying lives."

The cliché caught on and raised an outcry, and the weapon was shelved by President Carter.

The next act began when the Soviet Union had reached strategic parity with the United States and started to deploy its new SS-20s, ballistic missiles in the sub-strategic range. With the superpowers holding each other in check with their strategic arsenals, this would have eroded the American nuclear guarantee for Europe and made it vulnerable to Soviet pressure. At the insistence of European leaders, the Americans agreed to develop medium-range missiles for Europe. These were to restore the balance by being able to hit Soviet territory from Europe (although the planners were careful to limit the range so as to exclude Moscow). The missiles were to be aimed at military targets such as high-level command

posts, military communications centers, missile sites and air bases in the Western Soviet Union, and thus prevent an attack on Europe. Another, even stronger outcry was raised. Although West European electorates later supported the concept, governments wavered. Hence the zero option.

On present appearances it looks as if it will be successful. But what seems a simple equation to Kenneth Adelman, director of the U.S. Arms Control and Disarmament Agency ("Simple but True: We Agree to What We Asked For," March 31), will now leave allied military commanders with a gap in the deterrence spectrum. Both General Bernard Rogers, supreme allied commander in Europe, and General Wolfgang Altenburg, chairman of NATO's Military Committee, have expressed their misgivings.

We now come to the shorter-range missiles. Again NATO is faced by a Soviet upgrade. SS-21s are replacing older FROG missiles. SS-23s are taking the place of the Scud B, and SS-22s are being substituted for the SS-12 Scaleboard. In the 300- to 1,000-kilometer (180- to 620-mile) bracket, 77 SS-12/22s, 143 SS-23s and

375 Scud B missiles are facing 72 Pershing IAs, the Warsaw Pact's top outnumbers NATO by more than eight to one. This would enable the Soviet high command to knock out the allied weapons while putting most of the vital military installations of Allied Command Europe at risk. Small wonder that senior planners at NATO headquarters say it is the

ner's at NATO headquarters that they worry about.

Again, the Soviets are skillfully combining shorter-range missiles that they worry about. Again, the Soviets are skillfully combining shorter-range missiles that they worry about. Again, the Soviets are skillfully combining shorter-range missiles that they worry about.

The aim of these maneuvers is becoming clear. In his Prague speech on Friday, Mr. Gorbachev again mentioned his willingness to withdraw shorter-range missiles from East Germany and Czechoslovakia. There now will be further promises to withdraw such missiles from Europe altogether, provided the West does likewise. Secretary Shultz, in Moscow, will have to say that the allies have not been consulted, and he can thus delay the maneuver. But the Soviet leadership must calculate that European opinion will be so

stimulated that the offer cannot be refused. This, again, would bring us nearer to the nuclear-free Europe the Soviets are so intent on achieving. But it would be a Europe which, although no nuclear weapons could be fired from it, would remain under permanent threat from nuclear weapons aimed at it from outside. For even if all medium-range missiles were destroyed and all shorter-range ones withdrawn beyond the Urals, the Soviets would still be left with ample capacity in strategic weapons to hold the United States in check and blow up the whole of Europe.

Not that they would, of course. They wouldn't need to.

The writer is editor of NATO's Sixteen Nations, a review of economic and military power published in Brussels. He contributed this comment to the International Herald Tribune.

Yes: Oust Both Sides' Medium-Range Missiles

By Viktor P. Karpov

The writer is chief arms control negotiator for the Soviet Union.

MOSCOW — The current discussions on the elimination of medium-range nuclear missiles from Europe show promise as a basis for an accord between the Soviet Union and the United States. The general principle was agreed upon at the Reykjavik summit, and its translation into a concrete treaty is essential to resolving the issue of Soviet and American medium-range missiles in Europe.

But a disturbing development occurred after the Soviet Union unveiled its Reykjavik package, which would separate medium-range missiles from other nuclear arms and space weapons issues. The American delegation then placed its own draft treaty on the table, creating in effect a new package.

This new U.S. proposal seeks to tie any agreement on medium-range missiles to the issue of shorter-range missiles — those with

ranges of about 300 to 600 miles — purportedly because the removal of Soviet SS-20s and American Pershing-2s and cruise missiles would leave Europe dangerously exposed in the face of Soviet superiority in shorter-range missiles.

There is no evidence whatsoever to support this allegation. If we look at the balance between nuclear forces in the Warsaw Pact and NATO, including British and French nuclear forces, it is clear that the argument is totally groundless. Those who support it seem to forget that in 1979, when NATO took this "dual-track decision," the possibility of the United States foregoing deployment of its medium-range missiles in Europe was linked only to the removal of Soviet SS-20s and nothing else.

Now that there is a real possibility of agreement on ridding Europe of Soviet and American medium-range missiles, the United States has proposed new conditions that create further difficulties. Obviously, this arrangement is designed to enable the United States to delay decisions on both issues, should Washington choose to do so.

Another cause for concern is the admission by the United States that it may decide to convert Pershing-2s into shorter-range Pershing-1Bs and station them in Europe. American experts and others believe that these missiles could easily be converted back into Pershing-2s. By this method, America would actually preserve its intermediate-range capability in Europe if it decided to back out of an agreement on intermediate-range forces.

An accord based on the U.S. proposal could also allow America to maintain its present nuclear capability in Europe by deploying its cruise missiles on ships or replacing their nuclear warheads with conventional weapons rather than scrapping them altogether.

And there they were, in never-never land, where everything seemed possible.



Iran: The Mullahs Are Playing Dangerous Games With Nuclear Fire

By David Segal

This is the second of two articles.

DENVER — With the start of the Iran-Iraq war in 1980, Iran's eagerness for nuclear weapons may have increased. A Reagan administration official has warned that it is likely that "if either Iran or Iraq had nuclear arms at their disposal, they would use them."

The Iranian effort has focused in part on completing the shah's nuclear projects. In the summer of 1982, Iran opened confidential negotiations with Kraftwerk Union of West Germany for the completion of the two reactors that the company had been building at Bushehr.

According to Feridun Fesharaki, the former Iranian energy official, Bushehr-1 is 75 percent complete, lacking only a core, while Bushehr-2 is nearly 60 percent complete, lacking a core and other equipment. In 1984, as the negotiations with West Germany dragged on, Iran opened a nuclear

research institute at the University of Isfahan. In 1985 the West German government decided not to resume work on the Bushehr reactors for the duration of the Iran-Iraq war.

Not long after this decision, on Nov. 6, 1985, a curious advertisement appeared in the Iranian edition of Tehran's semi-official Kayhan newspaper, the edition most likely to be read by Iranians living abroad. In part, the advertisement read:

"In order to develop the basic nuclear sciences and attain the benefits of nuclear technology, the Atomic Energy Organization of Iran is conducting a conference from 14-19 March 1986 in Bushehr. This will be the first nuclear science and technology conference held in Iran."

"Therefore, Iran's Atomic Energy

Organization invites all scientists, Iranian or foreign, and all Iranian postgraduate physics and science students who are studying abroad to participate in the conference and help with its research. To encourage such participation, the Organization will pay all the participants' travel expenses to and from Iran and other expenses incurred while in Iran."

Since the Bushehr conference, most of Iran's efforts to expand its nuclear capabilities and conduct nuclear research have centered on the Nuclear Research Center of the Amir Kabir College (formerly Polytechnic College) of Tehran University, which houses an American-made 5-megawatt research reactor, the only known active reactor in Iran.

According to an Iranian source,

the nuclear physics staff at Amir Kabir held a top-level meeting last January to decide on fund allocations, the makeup of teams, and lines of research. That same month, after an absence of more than seven years, Mr. Fesharaki, who has been highly critical of Iran's present government, returned to Tehran for a visit at the government's invitation. The timing, according to Mr. Fesharaki, was coincidental. He says that his visit had nothing to do with nuclear energy.

Given the evidence that Iran has an active nuclear program under way, the question is whether it will succeed. According to Mr. Fesharaki, Iran's desire to build nuclear weapons is serious — but its organization is not.

"It is difficult [for Iran] to concentrate on anything for any length of time that is not directly related to the war," he says. "Given the circumstances, they just don't have the manpower; they don't have the money; they don't have the contacts. They simply can't do a Pakistani-type operation." Of the 120 people in the chemistry and physics departments at Tehran University in 1979, only eight remain. The two Bushehr reactors are being used for grain storage.

But other evidence makes it hard to dismiss the Iranian nuclear threat. First of all, the Bushehr project may not be dead. According to a 1982 article in Nuclear News, India has offered to finish the reactors and train Iranian technicians to operate them. The magazine says the offer was made by the Indian commerce minister, P. Shiv Shankar, during talks in 1982 with Iran's atomic energy agency.

Whatever the current status of the reactors, Iran is obviously upset about something. Its air force has tried to bomb the Bushehr reactor site at least six times since May 1985, Iran says. Even if the Bushehr reactors never become operational, Iran has other ways of getting the raw material for nuclear weapons. One approach

would involve Iran's U.S.-made research reactor at Tehran University, which, according to a study by Leonard Spector for the Carnegie Endowment for International Peace, has a fuel load of 11 pounds (5 kilograms) of 93-percent enriched uranium. If that report is correct, this alone might be enough for a single nuclear weapon, given the right technology. Experts worry that Iran could also use the research reactor to create plutonium-239, the material used in the bomb that destroyed Nagasaki.

If Iran wants to go the plutonium route, there are significant uranium deposits in Yazd Province. One of the subjects of the 1986 Bushehr conference was "how to discover, obtain, explore for and manufacture nuclear raw materials."

Iran might have another way to make nuclear weapons, through a relatively new technology called laser enrichment. This still experimental technology uses lasers to separate weapons-grade uranium from ordinary uranium, without using expensive gaseous-diffusion plants. Evidence that Iran may already be aware of this laser technology comes from an American scientist, Jeffrey Eickens.

He said in a recent interview that in 1977, two Iranian scientists, Esmatollah Ziai and Mojtaba Taherzadeh, both of Tehran's Nuclear Research Center, agreed to finance him in developing such a laser. He built the hardware and, despite objections from the U.S. Energy Research and Development Administration, he was allowed to deliver four lasers to Iran in late 1978. Iran still has all four.

Iran's rulers are playing with nuclear fire. Tehran is apparently eager to make nuclear weapons and may soon have the necessary raw materials and technology. The question is what the rest of the world will do to keep the ayatollahs from going nuclear.

From The Washington Post, © 1987, David Segal.

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: Roosevelt Gains

NEW YORK — Theodore Roosevelt swept yesterday's [April 13] primary elections in Pennsylvania, defeating President W.H. Taft for the Republican Presidential nomination in America's second-largest State. Returns from a few country districts have not yet been received, but Mr. Roosevelt apparently secured 50 of Pennsylvania's 64 delegates to the Republican Convention.

LONDON — Commenting on Mr. Roosevelt's victories in Illinois and Pennsylvania, the "Morning Leader" says: "What does it all signify? Not that Mr. Roosevelt will be elected President in November, but that Mr. Taft cannot. The Democrats could defeat Mr. Roosevelt on the third term issue alone, and they could, with less trouble, beat Mr. Taft, because his administration has not fired the popular imagination."

1937: Ford Can Unleash

DETROIT — Reversing his traditional attitude, Henry Ford declared today [April 14] that his employees were free to join any union they wished. The motor manufacturer, who had been always been in accord with the Wagner National Labor Relations Act, "Of course, the company employees are always free to join any 1 think they are foolish if they join a union. They will lose liberty and gain WASHINGTON — President Franklin D. Roosevelt today named a three-man board to investigate West Coast railroad companies of two Southern Pacific Companies. The Northwestern Pacific Railway Company and the company are organizations in which strikes are reported to be imminent."

مكتبة الأمل

OPINION

It's Illegal to Show Regret
At Mr. Sisulu's Detention

By Anthony Lewis

BOSTON — For four months now a prominent black South African editor, Zwickelke Sisulu, has been held alone in a cell in Sandton, near Johannesburg. The state has not charged him with any crime or told him why he is being detained. There is no way of knowing when or whether he may be released.

As of this week, it is a crime in South Africa to express regret at Mr. Sisulu's detention. Writing a letter to suggest release of any detainee is punishable by up to 10 years in prison. So is making a

Zwickelke Sisulu, now 36, has been in detention at least twice before. And it is better this time in a real sense: His family knows where he is, knows he is alive.

His wife, Zwickelke, is allowed to visit him at the Sandton police station every two weeks. They talk through a glass partition. And she takes their children, a 7-year-old boy and 4-year-old girl.

He is a symbol, but of course the point is not only Zwickelke Sisulu. Unofficial estimates are that 30,000 people have been detained since June, including children as young as 11. The point is the weight of repression used by the government to crush the political yearnings of the majority of South Africans.

The latest repressive measure may be the most revealing in its extremity. That is the order, issued last weekend, defining as "subversive statements" any expression of sympathy for detainees or criticism of detention.

The best guess is that the government took this extreme step because a campaign for release of detained children had had considerable attention abroad, as well as in South Africa. Reports and films show that very young children were in prison and that some of them had been brutally mistreated.

The prohibition on statements about detainees went so far as to cover any "symbolic token of solidarity" with a detainee. The Reverend Allan Boesak, at a Cape Town prayer service to protest the new law, read out from the New Testament: "Remember those who are in prison, as though in prison with them."

The new emergency order could have one useful effect. It might finally persuade some people abroad to give up their wishful belief that the South African government itself will do away with the system of apartheid.

The Reagan administration has operated for six years on that belief: Just jolly Mr. Botha along, nudging him occasionally, and he will gradually reform white supremacy out of existence. But Mr. Botha has made as clear as a political leader can that he is not going to yield on the white monopoly of political power.

Another myth that might now be dispensed with is the notion that foreign corporations can help political change in South Africa by staying there. Calls for reform from even important local business leaders have lately been treated with scorn by Mr. Botha and his colleagues. They counter sanctions by attracting foreign business to black "homelands" with cheap labor — as low as \$7 a week.

No, the only way real change is going to come to South Africa is by pressure from within and without. It is a difficult course. But the alternative is for the government to go on governing by force and destroying the hopes of a great country.

The New York Times



What does he know and when did he know it?

LETTERS TO THE EDITOR

Cambodia's Survivors

I was deeply touched by Keith Richards' description of the changes in Cambodia since Pol Pot was driven out with Vietnamese assistance. ("Cambodians Battle On for Economic, Political Independence," April 6.) Given the trauma suffered by those who lived through the carnage, the deliberate elimination of trained professionals in Pol Pot's genocide, and the destruction to economy, infrastructure and culture, it is a miracle that the country is again viable. How painful it must be to the survivors that the Cambodian seat at the United Nations is presently occupied by those responsible for the deaths of up to three million of their countrymen.

JANET BRUIN,
Geneva.

Life Spans of Dead Whales

John Burgess' report (April 9) on Japan's decision to renounce its pledge and kill 875 whales for "research purposes" is not the kind of news that will help stem the rising tide of anger against that nation. According to the report, the number of proposed victims is the minimum needed for an accurate study on "such things as pregnancy rates [and] life span." This incredible explanation can only be seen as an outrageous disregard for international cooperation and

another poorly disguised violation of a treaty for self-serving commercial interests. The Japanese should stand warned against a coming tsunami of international protest. They would be better advised to leave the whales alone and concentrate on how to live in greater harmony with the international community.

JOSEPH BAILEY COLE,
London.

Why Settle for Crumbs?

Regarding the opinion column "SDI Spin-Off Might Improve Life Worldwide" (Feb. 19) by Geoffrey Pattle:

Among the various arguments in favor of SDI research, the most extraneous is the serendipity argument. This says that military inventions often inadvertently provide the technological basis for peaceful applications.

But is research into weapons technology really the most expeditious and cost-effective way to find solutions to the problems facing the world? Why can't governments decide to fund such important research directly? Should the future of industrial society depend on the crumbs that fall from the military table?

Nobody has suggested with a straight face that the space-based kinetic-kill vehicle will lead to a cure for AIDS, but it is probably only a question of time.

ROLF HAMBURGER,
Neuilly-sur-Seine, France.

'Wireless All Operator Can Take on Titanic'

By Kyle Jarrard

PARIS — "Have struck an iceberg 41.46 north, 50.14 west; are badly damaged; rush aid" — messaged the Titanic on Monday, April 15, 1912, just after midnight. An hour later she wired that the women were being taken off in lifeboats. By 2:20 A.M., silence.

Late that day the White Star Company confirmed in New York that the world's largest ocean liner, on its maiden voyage from Southampton to New York, had sunk "with horrible loss of life."

As viewed in hindsight 75 years later, the sinking ended an era of optimism: in two years the world would go to war; so much for unquestioned confidence in the future. Meanwhile, the tragedy was a colossal news story.

On April 16, the European edition of The New York Herald exclaimed in Paris: "The Titanic, New White Star Liner, Founders Off Newfoundland; Reports Are Most Contradictory, but Appalling Loss of Life Is Feared."

Then: "Of the 2,358 souls on board the great ship, only 675, mostly women and children, have been saved. If this terrible news be verified, the loss of the Titanic will rank as the worst shipping disaster in the history of the world, as it means that more than 1,600 persons — passengers and crew — have perished."

Estimates of the toll still vary, but it is thought that of the more than 2,300 aboard, about 1,500 died.

The steamer Olympic reports that the steamer Carpathia reached the Titanic's position at daybreak, but found nothing but boats and wreckage." The Herald reported in Paris: "All the Titanic's boats are accounted for. About 675 souls of the crew and passengers have been saved. The liner Californian is remaining in the vicinity of the disaster. The Carpathia is returning to New York with the survivors."

Readers were told the ship had been "the last word in ocean-going luxury."

"She is 883 feet long [270 meters], 93 feet broad; will accommodate 3,500 passengers and crew. The Titanic was fitted with a splendidly equipped gymnasium, a squash racquet court, restaurants and cafes, reception-rooms upholstered in the daintiest silk, with gorgeous panels and richly carved cornices."

The April 17 Herald put the number of survivors at 866. Few details of the sinking had come from the Carpathia. "The constant use of the wireless to send names of the living prevents the transmission of any details of the catastrophe." The press on both sides of the Atlantic complained about the wait for the story.

The Herald listed survivors and ran biographies of prominent people who had been aboard: Colonel John Jacob Astor, the multimillionaire; banker Isidor Straus; Benjamin Guggenheim; the journalist William T. Stead; and Charles H. Hays, president of the Grand Trunk Railroad. "These are only a few of the names of the strong, influential, brave men who have gone to their deaths in the ocean as a

result of obedience to that great rule of the sea which in a shipwreck gives to women and children first right to life."

Why so few had survived became a point of controversy. Said The New York Evening Post, quoted by The Herald in Paris on April 17: "The sole reason everyone was not saved was simply because the owners of the Titanic were permitted to send her to sea with only a few more lifeboats than were carried by the ocean steamers of twenty and thirty years ago." The New York Daily News said: "If it should prove true that in a calm sea ... something like 1,500 lives have been sacrificed because there was

most of the lifeboats were some distance away, and only a faint sound of the [band playing the] hymn 'Nearer, my God to Thee,' could be heard."

On April 20 came an account by Major Arthur Peuchen of Toronto: "After we got away from the ship, those aboard the Titanic saw we were not filled to our full capacity, and they ordered us to return for more, but the quartermaster in charge of our boat refused to go back. He made a frightful scene in front of the women, crying out we would only get some stuffs, meaning that we could only hope to pick up dead bodies ... It was about an hour after we put off and half an hour after the last boat was launched when the Titanic went down. I heard the dull sound of two explosions and an awful cry went up from the doomed passengers."

Sir Cosmo Duff-Gordon and his wife escaped in lifeboat No. 1. It was lowered with 16 persons aboard, although it could hold 40. The husband said of Captain Edward J. Smith: "He was thrown from the bridge into the sea. He picked up a baby, which had fallen overboard, and swam with it to a lifeboat nearby. He put the child aboard, and those in the boat urged him to come in, but he refused, saying that he would swim to a piece of wreckage floating nearby. He turned and swam away."

An account attributed to Lady Duff-Gordon went this way:

"I clutched the sides of the lifeboat. I had seen the Titanic give a curious shiver. Everything could be clearly made out ... Then we heard several pistol shots, and a great screaming arose from the decks. The boat's stern lifted into the air. There was a tremendous explosion, and after this the Titanic sank back again."

The awful screaming continued. Then there was another loud explosion, and the whole forward part of the great liner went under. The stern rose a hundred feet almost perpendicularly. The boat stood up like an enormous black finger against the sky. Little figures hung to the point of the finger and dropped into the water ...

"A minute or two later, the Titanic's stern slowly disappeared, as though a great hand were pushing it gently down under the waves. The screaming of the poor souls on board seemed to grow louder. We watched her 300 yards away go down slowly, almost peacefully. For a moment an awful silence seemed to hang over everything, and then from the water, all about where the Titanic had been, arose a bedlam of shrieks and cries. There were women and men clinging to bits of wreckage in the icy water."

International Herald Tribune.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

Allowed Only to Pray

The South African government once again made a fool of itself by hastily exempting prayer from the list of activities, in support of the thousands detained without charge, which were banned last week. Archbishop Desmond Tutu was not therefore defying the law when he led [Monday's] service for those held under the state of emergency. Even the Pretoria authorities, it seems, realized just in time that arresting the head of the Anglican hierarchy might be a bit over the top. The latest restrictions with their ridiculous overkill are the work of people who think with their fists and support their arguments with whips [and] shotguns.

— The Guardian (London).

Today power station chimneys need no longer pollute the environment.

New catalysts developed by BASF now enable power stations to purify waste gas.

Passing through the catalysts the toxic NO_x waste gases are converted to non-polluting nitrogen — which accounts for about 79% of the earth's atmosphere — and water.

An additional benefit is that the catalyst is so shaped that no additional pressure need be exerted and fly ash cannot interfere with the catalyst performance.

To take another example of the effectiveness of BASF research: the sulphur compounds present in natural gas and crude oil can be converted to pure sulphur by means of special catalysts.

This produces low-sulphur fuel oil, dramatically reducing sulphur oxide emission; it also results in sulphur, a valuable raw material.

In many processes, catalysts are vital in controlling reactions making for safe operation, and economies in energy and raw materials.

Researching the action of catalysts is an extremely complex business so the development of a catalyst for a specific process is usually expensive and involved. Minute variations may make all the difference between success and failure.

BASF has a long and successful history in this field. For example, decades ago BASF, in developing the ammonia catalyst, made one of the great pioneering achievements in chemical research.

An achievement of enormous significance today, as it will remain in the future. Ammonia is an indispensable base material in the production of fertilizers, fibres, plastics, dyes etc.

Today, BASF produces about 140 different types of catalyst, vital for numerous production processes.

BASF catalysts.
Helping industry react.

BASF Aktiengesellschaft · D-6700 Ludwigshafen

BASF

BASF catalyst C-4-85 for purifying NO_x containing waste gases.
Original photo on a 1:5 scale.

AF 1089

Indonesia Affirms Need For Press Restrictions, Plans Lobbying Effort

JAKARTA — Indonesian officials strongly stand behind the legality of curbs on the press, defend the execution of Communists and believe their country is misunderstood abroad.

The deputy parliamentary speaker, Hardjanto Sumodisastro, said after a meeting with President Suharto that the government should intensify lobby diplomatic missions in Jakarta, particularly those of West European countries. The aim of that effort would be to clear up misunderstandings about the country's human rights record.

He was quoted in Indonesian newspapers on Tuesday as saying he found during a tour that took him to the Netherlands, Britain, the United States, Japan and Hong Kong that foreign governments had the wrong impression about four key issues.

These were the execution in September of nine Communists accused of taking part in a 1965 coup attempt, Indonesia's mass resettlement program, its invasion of East Timor in 1975 and its human rights record.

The European Community, Australia and the Netherlands expressed concern that the executions of the Communists took place so long after the coup.

Mr. Hardjanto said the nine were executed after due process of law. He said that the sentences of

some people arrested in 1965 were commuted, such as that of the former foreign minister, Subandrio, whose death sentence was reduced to life imprisonment.

He said that Indonesian culture was "against torture, let alone killing," the official news agency Antara reported.

The main objective of his trip was to correct misunderstandings abroad about Indonesia, he said.

In comments published by Kompas, the country's leading newspaper, an Information Ministry official strongly defended the legality of the government's closing of one of Jakarta's main newspapers last year.

Sukarno, director general of press and graphics at the ministry, said newspapers ran the risk of losing their publishing licenses if they failed to perform as "a sound, free and responsible press."

He said current restrictions on the Indonesian press were necessary "in the framework of building" such a press.

Mr. Sukarno said the contents of a publication could be used as a justification for withdrawing its business license.

He was responding to remarks by the former chief justice, Umar Seno Adji, who said this month that the licensing of newspapers should not be used as a method of control.

The granting of a publishing license, he said, had nothing to do with press freedom and was only connected with the financial condition of the publishing house.

The government banned a Jakarta afternoon daily, Sinar Harapan, in October for what it called "speculative reporting" on the economy. It has also given warnings to several other newspapers.

■ Correspondent Barred

A Southeast Asia correspondent for The New York Times said Tuesday in Bangkok that she had been barred from covering Indonesia's general elections on April 23.

Barbara Crossette, who was deported from Indonesia last year as President Ronald Reagan arrived there for a visit, said she was told Tuesday that her visa request had been rejected.

A Foreign Ministry spokesman in Jakarta confirmed that she had not been granted a visa, but declined further comment.

Ms. Crossette said Jakarta sent no explanation. "There is no doubt I am being barred from covering what the Indonesians call the Festival of Democracy," she said.



OVER A HURDLE — Prime Minister Anibal Cavaco Silva of Portugal climbing the Great Wall at Badaling, north of Beijing, on Tuesday, a day after signing an accord to return Macao to Chinese control in 1999.

Opposition, Church Leaders Reject Chun's Decision on Elections

By John Burgess
Washington Post Service

SEOUL — Opposition and Christian groups in South Korea condemned on Tuesday President Chun Doo Hwan's cancellation of plans to rewrite the constitution.

The government, meanwhile, showed no sign of relenting. In a cabinet meeting Tuesday, it moved forward on a new political agenda that it says will bring presidential elections under the current constitution late in the year and Mr. Chun's departure from office in February 1988.

Mr. Chun reportedly told his ministers Tuesday to take steps for phasing in "local autonomy," election of local officials who are currently appointed by the central government. He also told them to look into liberalizing laws that regulate the press.

Dissidents, however, want him to rescind the decision, which he announced on Monday.

Kim Young Sam, a prominent opposition leader, said Tuesday that there is still time to change the constitution and urged the ruling party to re-open a dialogue with its opponents on the subject.

At the same time, he said the government has "no true intention" of agreeing to a change. For the past year, the opposition has made the securing of a constitution that provides for direct election of the president as its prime objective.

The Korean National Council of Churches, which represents about a third of South Korea's five million to eight million Protestants, also called on Mr. Chun to reverse his decision, saying that it went against "a firm parliamentary resolution" for such a change.

It rejected Mr. Chun's explanation that the cancellation was necessary due to the break-up last week of the main opposition New Korea Democratic Party. Most of the members were forming a new party, it said, which could continue the talks.

Mr. Chun also said that his move was necessary to secure order and assure a peaceful staging of the 1988 Summer Olympic Games in Seoul. But the council said that "Olympics held with the people suppressed by physical force could not be a peaceful festival — it would be a seed for misfortune."

Cardinal Kim Soo Hwan, leader

Forced Resignation of Indian Official Underscores Discord in Gandhi Party

Steven R. Weisman

NEW DELHI — The forced resignation of the Indian defense minister over the weekend has created a political crisis for Prime Minister Rajiv Gandhi and underscored serious internal divisions in his governing Congress (I) Party.

This was the widely shared view as Mr. Gandhi struggled to contain the damage after the departure Sunday of Vishwanath Pratap Singh, one of his most respected if controversial cabinet officers.

Last month party critics charged that Mr. Singh had tainted his investigation of an Indian textile company by hiring an American detective agency that had ties with a rival company.

On Monday, even people unfriendly to Mr. Gandhi agreed that Mr. Singh sealed his fate last week when he announced a separate investigation into possible kickbacks on an overseas defense contract a few years ago.

No details have emerged, but the move was widely seen as an unacceptable challenge to Mr. Gandhi, whom he had not informed in advance.

Whatever the merits of these cases, a prime minister who has enjoyed a reputation for integrity and sincerity is now being accused of protecting illegal business activities and covering up a scandal that could embarrass his party.

Mr. Singh's resignation was seen as much a symptom as a cause of the prime minister's increasing difficulties. For months, Mr. Gandhi has faced rising discord within the Congress (I) Party, most of it privately expressed and much of it directed against his leadership.

The party organization, which Mr. Gandhi heads as president, is generally described as in disarray. It has not had an internal election for 13 years and keeps no financial records. Officials say it is not known how much money was spent in the 1984 election.

Allegations that much of that money came from illegal kickbacks from businesses in India and from contractors overseas are at the heart of the current furor.

The main criticism of Mr. Gandhi among his party colleagues is that he has cut himself off from many in the party establishment and has been scornful toward politicians and bureaucrats.

This attitude is seen as the cause of his rift with President Zail Singh, a former ally, and his dismissing or criticizing of senior civil servants.

"Initially, Rajiv Gandhi did a tremendous job," said a former cabinet minister under Mr. Gandhi's mother and predecessor, Prime Minister Indira Gandhi. "But people are bitter now. The major complaint is lack of access. No party man can get to him."

All these problems were compounded by the recent loss of two state legislative elections and the fear that the party could lose an election in the northern state of Haryana. The defeats occurred despite arduous personal campaigning by Mr. Gandhi.

Libya-Uganda Trade Deal

Agence France Press

KAMPALA, Uganda — Uganda and Libya have signed a trade deal worth a total of \$60 million under which Libyan oil will be exchanged for Ugandan agricultural products. Uganda radio announced Monday night. The report did not say how much Libyan oil the East African country would get under the agreement, signed in Kampala on Monday.

Arab Protests Over Slaying Multiply on West Bank

The Associated Press

RAMALLAH, Israeli-occupied West Bank — Hundreds of protesters hurled rocks at Israeli troops in towns throughout the West Bank on Tuesday, and the army imposed a curfew on the occupied Gaza Strip hometown of a Palestinian student slain in clashes Monday.

A spokesman for the Israeli Army said the dawn-to-dusk curfew was imposed on Rafiah, an occupied Gaza Strip town bordering Egypt. The order followed demonstrations, including rock throwing, by Palestinians to protest the slaying of Mousa al-Hanafi, 24.

Mr. Hanafi was shot to death Monday when Israeli troops stormed the Bir Zeit University campus in the occupied West Bank to disperse hundreds of protesters. The army, citing the violence, decided to shut down the 3,000-student campus for four months.

The current cycle of violence began when a firebomb hurled into a car Saturday night killed a pregnant woman from one of the area's Jewish settlements and seriously wounded four other Jewish settlers.

In the town of Ramallah, a news photographer saw troops fire rubber bullets and tear gas canisters on Tuesday to disperse dozens of demonstrators outside a girls' school.

About 40 Palestinians also protested outside the College of Medical Professions south of Ramallah, setting up roadblocks and burning tires soaked with gasoline.

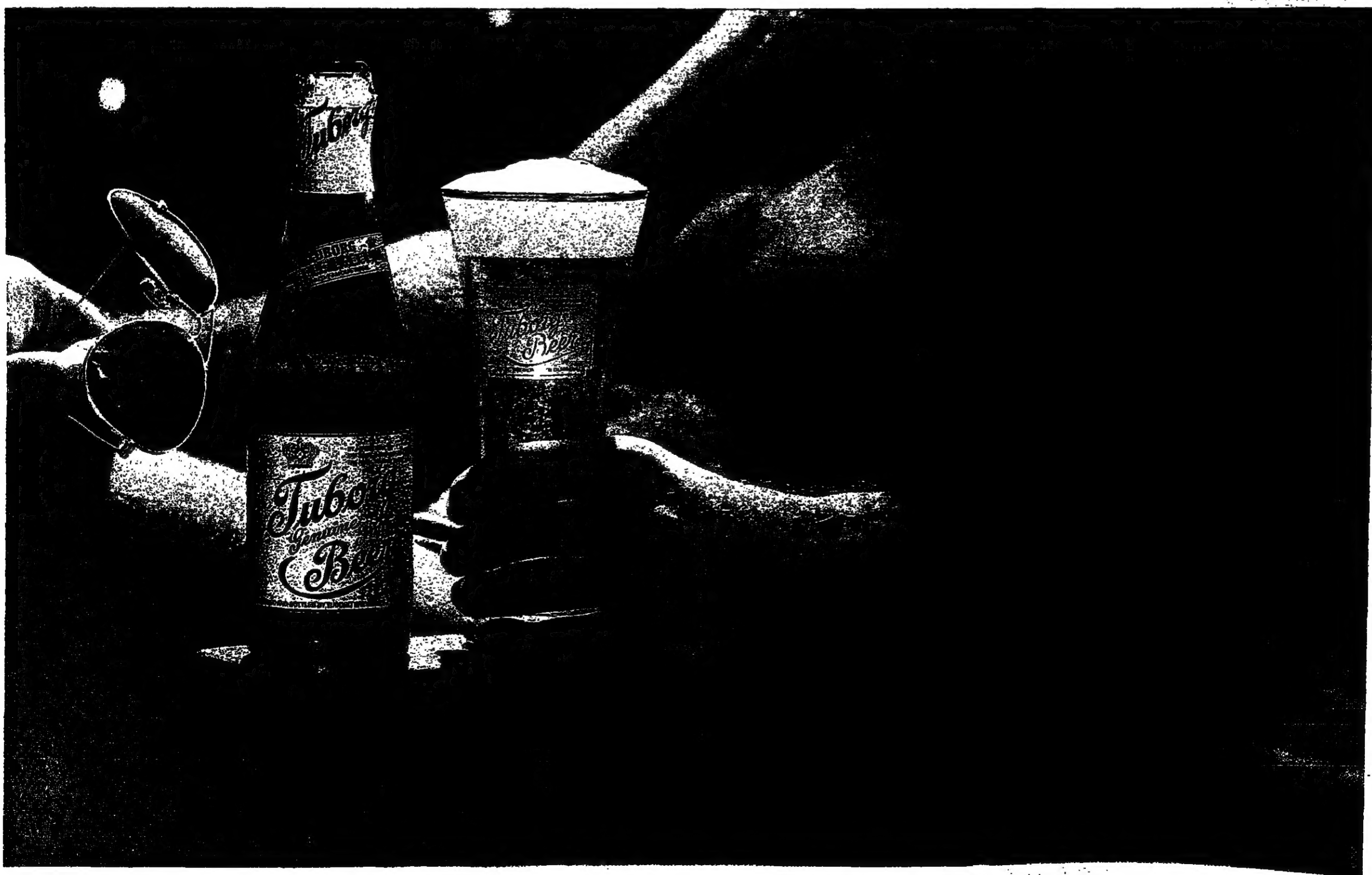
■ Minister Vows Crackdown

Defense Minister Yitzhak Rabin vowed Tuesday to crack down on Palestinian nationalist activity in the occupied West Bank. Reuters reported from Tel Aviv.

"We have decided to maintain law and order and the war against terror to ensure security for the entire population," Mr. Rabin told the state radio. "We will have to take additional steps. We have reinforced the Israeli Army in Judea, Samaria and Gaza."

"We will have to act, according to law, on a larger scale against inciters," Mr. Rabin said. He cited Palestinian universities and schools as well as action committees in Arab East Jerusalem as focal points of anti-Israeli activity.

Mr. Rabin has been under pressure from Jewish settlers and right-wing politicians to take stronger action against Palestinians in the areas captured by Israel in 1967.



"It's easy to dress like a millionaire..."

Zimbabwe Said to Seek Soviet Jets, Other Arms

By David B. Ottaway

WASHINGTON — Administration officials said Monday that Zimbabwe has been negotiating with the Soviet Union to buy advanced military jets or air defense equipment, but they said they could not confirm reports that the African nation has agreed to buy MiG-29s.

Moscow has never sold heavy arms to Zimbabwe and never supplied the MiG-29, one of its most advanced interceptors, to any African state, including Moscow's closest sub-Saharan ally, Angola.

Such a sale would mark a major departure in Soviet policy toward the region and a sharp break with its relatively cautious approach toward the racial conflict there that increasingly sets white-ruled South Africa against its African neighbors who are harboring South African black nationalist guerrillas.

[Ernest Kadamure, the Zimbabwe defense minister, said Tuesday that press reports claiming that Zimbabwe had bought 12 MiG-29s were untrue, United Press International reported from Harare.]

U.S. officials said they viewed the report as "serious" and "worrisome," but added that they are uncertain whether Zimbabwe has signed an agreement for any Soviet aircraft or air defense equipment.

"There may be an agreement in principle but we are not aware of anything firm," one administration official said.

A London press report said Zimbabwe was paying \$324 million in cash and bartering an undisclosed additional amount in crops to obtain 12 MiG-29s.

U.S. officials said they doubted that the Russians would sell one of their most advanced aircraft to a country with which Moscow has had poor relations.

Phyllis Oakley, a State Department spokeswoman, said that if the report is true, "we would certainly have concerns about the military, political and financial implications for Zimbabwe and for the southern Africa region as a whole."

Relations between the United States and Zimbabwe are still not "especially good," according to one U.S. official, and the administration has requested no new economic assistance for Zimbabwe for fiscal year 1988.

Since late 1985, Prime Minister Robert Mugabe has been trying to improve relations with Moscow. Ties have remained cool since Zimbabwe's independence in 1980.



FOUR ARE KILLED IN MISSOURI CRASH — Firefighters working toward a cargo jet that crashed and exploded in a pasture, killing all four persons aboard, as it

was approaching the airport in Kansas City, Missouri. Federal aviation officials said that the Boeing 707 may have been flying too low Monday night because of fog.

René Hardy, Resistance Figure, Dies

The Associated Press

NIORT, France — René Hardy, 75, the Resistance figure whose reputation was besmirched by charges that he betrayed the leader of the Resistance, Jean Moulin, died Sunday.

Mr. Hardy, who had led a reclusive life for years, had been hospitalized since 1984 in Melle, about 18 miles (30 kilometers) from Niort.

Twice acquitted of informing on several Resistance figures, including Moulin, during World War II, he never lived down suspicions by some Resistance members and historians that he provided the Gestapo with information leading to Moulin's capture, torture and eventual death.

A prolific author, Mr. Hardy was awarded the Deux Magots literary prize for his 1956 book "Amère Victoire" (Bitter Victory). "Derniers Mots" (Last Words), published in 1984, revived charges and countercharges about his role in the Resistance.

Mr. Hardy was born in Mortree in the Orne region, studied at a railroad school and worked on France's state rail system until 1939.

In 1940, with the war under way, Mr. Hardy, using the code name Didot, organized a network called Iron Resistance, which specialized in sabotaging railroads.

He was imprisoned in Toulon by the Vichy authorities in 1941-42, but took up his Resistance work when freed.

Mr. Hardy was arrested again on June 7, 1943, during a journey by train from Lyon to Paris, interrogated by the Gestapo chief in Lyon, Klaus Barbie, then freed three days later unharmed.

Moulin, who had been appointed president of the National Council of the Resistance by De Gaulle, was captured on June 21, 1943, imprisoned in Lyon, and, according to the Resistance, tortured by Barbie. Barbie is scheduled to be tried next month in Lyon for crimes against humanity.

What happened during Mr. Hardy's interrogation remains a mystery. When he reconstructed the Resistance network, he failed to mention his arrest and stories concerning his brief disappearance were later shown to be false.

Barbie has contended that Mr. Hardy agreed to collaborate, according to the book "Klaus Barbie, Butcher of Lyon" by Tom Bower.

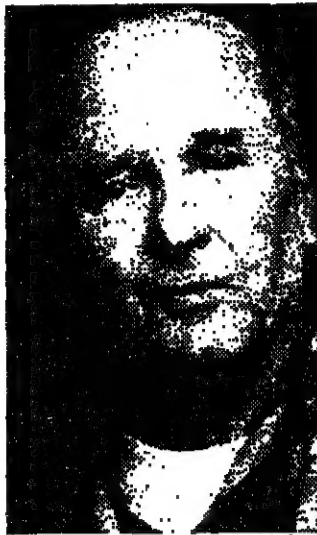
Mr. Hardy was wounded later in 1943, but fled from a Lyon hospital, taking refuge in Algiers in 1944. He returned to Paris after the Liberation, and at two trials, in 1947 and 1950, denied collaborating and was twice acquitted.

Other deaths:

Kent Taylor, 80, a movie actor who appeared in 63 films and played the lead in the 1950s U.S. television series "Boston Blackie," died Saturday in Los Angeles. He had had several heart operations.

Joergen Jensen, 67, the leader of the Danish Communist Party, Monday in Copenhagen after a long illness.

Enrico Caruso Jr., 82, an actor and singer and the last surviving son of the great tenor, after a heart attack Thursday at his home in Jacksonville, Florida.



René Hardy

South Africa Rejects U.S. Criticism

Reuters

JOHANNESBURG — R.F. Botha, the South African foreign minister, rejected on Tuesday an unusually outspoken criticism of Pretoria's policies by the U.S. ambassador, Edward Perkins.

Mr. Perkins, the first black U.S. ambassador to South Africa, abandoned his normally discreet profile on Monday and took his strongest public stand against Pretoria, describing new curbs on public protests as seriously jeopardizing freedom of speech.

The envoy joined Archbishop Desmond M. Tutu at a Monday church service in Cape Town at which church leaders pledged to defy the curbs announced last week. The measures ban public

campaigns against the detention of thousands of people without trial.

Mr. Botha said Tuesday that the South African government rejected Mr. Perkins' standpoint, saying that "no one who would differ from

South Africa has severely restricted the reporting of unrest or dissent. Correspondents may be fined or imprisoned for failing to submit to censors articles that contravene regulations.

the government in a normal civilized manner could feel inhibited by these restrictions."

He also disclosed that, for the second time in a week, foreign diplomats were being summoned

Tuesday to be briefed on the African National Congress, the outlawed guerrilla group seeking to topple the white-led government.

Last week Mr. Botha said the ANC was planning a campaign of terror before elections on May 6 for the whites-only Parliament.

Trains Are Set on Fire

Police and transport officials on Tuesday investigated possible links between the setting on fire of 26 train coaches in Soweto and a 33-day-old strike by black transport workers, United Press International reported from Johannesburg.

The fires began at rush hour Monday night and caused havoc for about 250,000 commuters to the black township.

Rebels Step Up Attacks in Peru

Shining Path Also Intensifies Push for Political Support

By Bradley Graham

WASHINGTON Post Service
LIMA — After nearly seven years of warfare, the guerrillas of the Shining Path movement are targeting new groups for assassination while intensifying their drive for political support in efforts to overthrow the Peruvian government.

The Maoist rebels, considered the most fanatic of Latin America's revolutionary movements, have begun shooting at foreign bankers, Peruvian businessmen and other nongovernment figures in assassination attempts once limited to state representatives and security forces. Killings of civilian bystanders have risen as well.

In the rebels' new emphasis on political operations, they have stepped up efforts to infiltrate union and civic groups and appear to be trying to gain support among less extreme leftist parties.

The insurgents recently published a 110-page document of Shining Path's ideology and tactical positions. The booklet, which local specialists consider authentic, represents the fullest public pronouncement by the group's central committee. Only two pamphlets preceded it — a 31-page statement in 1981 and a 13-page document in 1985.

The guerrilla force continues to gain ground. From its start in the Andean highlands of Ayacucho, the Shining Path has spread along Peru's mountainous old Inca trails and into Lima.

Founded by leftist academics of European descent, the movement is made up mostly of Indian recruits armed with guns captured from the government and dynamite stolen from mines. Neither the military sweeps tried by President Fernando Belaúnde Terry in 1983 and 1984 nor the current offers of dialogue and economic aid by President Alan García Pérez have done much to deter the rebels.

Although the specialists say the guerrillas still pose no immediate military threat to the government, Shining Path is widely seen as an increasingly destabilizing factor.

"The problem of Peru is the Shining Path," said Javier Silva Ruata, a prominent senator allied with the governing Popular American Revolutionary Alliance, which is left of center. "All other problems — foreign debt, inflation, unemployment — pale by comparison."

Peruvian analysts and foreign diplomats say the government lacks a clear counterinsurgency plan. Intelligence about Shining Path, gathered by eight rival police and military services, is said to be weak.

To improve military coordina-

tion and efficiency, Mr. García pushed through Congress this month approval of a single new Ministry of Defense, which will combine the former ministries of the army, navy and air force. Moreover, a special 300-man anti-guerrilla police force has been set up in recent months in Lima. In the countryside, military units reportedly have returned to more aggressive patrolling in areas known to be guerrilla strongholds. Nevertheless, rebel assaults multiply.

By staging numerous killings of prominent individuals in the capital, the guerrillas have heightened international attention to their campaign.

A daylight attack last month on Jorge Morales, a local industrial relations executive, marked the first Shining Path murder of a private businessman in Lima and highlighted the rebels' growing intervention in labor disputes.

The ambush a week later of Tado Sawaki, who had just arrived in Lima to manage the Bank of Tokyo office in Lima, was the group's first known attempt to assassinate a foreign commercial banker. Mr. Sawaki was wounded.

On Friday, Shining Path gunmen burst into a Lima restaurant located close to the city's most important military base and frequented by military officials. Shooting indiscriminately, the guerrillas killed two officers and four civilians. The attack sent a message to Peruvians to avoid armed forces personnel, particularly in public places.

Along with the rising violence, the guerrillas are making efforts to explain themselves. In January, rebels took over the Lima offices of Reuters and the Cuban news agency Prensa Latina, forcing both to transmit a manifesto. While such seizures had been tried before by Peru's other guerrilla group, the pro-Cuban Tupac Amaru Revolutionary Movement, it was a first for Shining Path.

In the central committee statement, dated August 1986 and titled "To Develop the Popular War Serving World Revolution," Shin-

ing Path's leaders voice satisfaction with the armed campaign begun in May 1980 and said by the government to have taken more than 10,000 lives.

The guerrillas say they have carried out 30,000 actions through June 1986, affecting all but two of the country's 25 provinces. More than half of these actions are reported to have taken place since mid-1984. The government lists a total of 13,100 Shining Path attacks through September 1986.

Raúl González, a Peruvian authority on Shining Path, said the document can be seen partly as an overture to radical leftist parties. The guerrillas, he said, would like to draw some parties out of the United Left alliance. Peru's second largest political grouping, thereby strengthening their own political base and weakening Peru's conventional political forces.

Julian Bond Denies Drug Allegations

The Associated Press

ATLANTA — Julian Bond, the civil rights leader, angrily criticized the news media on Tuesday for reporting allegations by his estranged wife that he regularly used cocaine.

She recanted the statements in a newspaper interview. Mr. Bond, 47, said he had never used the drug. "What is at issue here is a family affair of concern only to those who are intimately involved," said Mr. Bond, who served in the Georgia legislature for 20 years. Federal agents were investigating the allegations.



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Nuclear Leak: TERROR: Cooperation in Europe

In Soviet Is Suspected

(Continued from Page 1)

that have happened lately that shook opinion over here," observed Simon Head, a foreign policy expert for the Social Democratic Party.

to be aimed at freezing a Lebanese held on terror charges, Georges Ibrahim Abdallah. He was eventually sentenced to life imprisonment.

In Britain, the trial of a Jordanian convicted of trying to blow up a plane in London

Reversers

BONN — West Germany asked the Soviet Union on Tuesday to explain a recent slight increase in atmospheric radioactivity that government scientists said they suspected was caused by a nuclear reactor leak in the Soviet Union.

In Moscow, the Foreign Ministry spokesman, Gennadi I. Gerasimov, denied that any increase in radioactivity had been recorded recently in the Soviet Union.

If higher emission levels were measured in Scandinavia and Western Europe, "the cause cannot be on Soviet territory," he said.

Earlier, Nordic nuclear experts said the emissions last month from the Soviet Union were so slight that they may have come from a hospital using radiation equipment to treat cancer patients.

But in Bonn, a spokeswoman for the Ministry of the Environment said the government would insist on an explanation for low-level emissions recorded in West Germany and Scandinavia in early March.

The latest leak, recorded in the second week of March, posed no

...ity to Britain.

...Alluding to the Iran-contra arms sales affair, he said: "You have also to take into account the perception of the American position on terrorism since Irangate, which has undermined the authority of the United States to take a lead on it."

While acknowledging that the bold strike against Libya intimidated Colonel Gadhafi and served as an indirect warning to President Hafez al-Assad of Syria, many European officials continue to hold to their original criticism of the operation.

"We didn't like it then, and we still don't like the idea of using arms in the Mediterranean," insisted an official in Italy, which has sharply cut back its extensive diplomatic and economic contacts with Tripoli in the last year.

"It certainly had the effect of quieting Gadhafi down," the official said, "but it brought no long-term resolution of the problem."

The deployment of British-based F-111 bombers in what many officials now say they believe was a calculated attempt to assassinate Colonel Gadhafi shocked West Europeans, particularly after the extent of civilian casualties became

...an El Al airliner in 1986.

...prompted the Thatcher government in October to break off diplomatic relations with Syria, which was accused of providing logistical support to the terrorist operation through its embassy. A subsequent trial in West Berlin pointed to Syrian backing for a bombing in the city and prompted West Germany to expel Syrian diplomats.

European security officials, who tend to regard the air raids in a more positive light than do their diplomatic counterparts, say that a far greater sensitivity to terrorism has produced a qualitative breakthrough in cooperation between capitals.

Last week, Paris and Bonn signed an agreement institutionalizing anti-terrorist cooperation. Their accord calls for French and German liaison officers to be posted in the two nations' security agencies.

LIBYA:
Cost to Gadhafi

(Continued from Page 1)
Western official with long experience in Libya said of Colonel Gadhafi

The diplomats point to the defection of five Libyan officers from the fighting in Chad to Egypt last month, as one of many telling signs of low military morale.

The Western diplomat, who has been a resident in Libya on and off for a decade, said he had recently spoken to a Libyan pilot who had returned from Chad and who said he had refused to drop a bomb where ordered.

The pilot, according to the diplomat, said he was ordered to bomb Chadian troops during a battle against Libyan forces, but refused to do so because he knew, he said, the bomb would have killed Libyan soldiers as well as Chadians.

The defeat in Chad is interpreted by the diplomat as a "fantastic humiliation" for Colonel Gadhafi.

"Chadians used to be sold as slaves here," he said. "To be defeated by them is a disaster."

Sudan Guerrillas

Report a Victory

Reverses

NAIROBI — Rebels of the Daudi Mbatia Liberation Army have captured the southern Sudanese town of Tonga, the guerrillas' SPLA said Tuesday. The English-language broadcast, monitored by Nairobi, said that a rebel ink blot captured the town on April 23 in a clash with government troops.

No casualty figures were given, and an independent confirmation of the reported rebel victory was not available. Tonga is about 70 kilometers (70 kilometers) west of Malakal. The guerrillas are fighting for autonomy for southern Sudan.

The south is mainly inhabited by animist and Christian blacks under domination of the central government by Arabized people from the Islamic north.

TOUR: America
(Continued from Page 1)

They said that Britain, West Germany and the Scandinavian countries, which travelers still regard as "safer" nations, were registering the strongest comebacks.

An early surprise for the summer season is bookings to the Soviet Union, which often include Scandinavian fjord cruises. The trips are up about 25 percent.

Italy and Greece, which suffered the largest drop in American visitors, are recovering more slowly. Only 206,000 Americans visited Greece in 1986, down from 466,000 in 1985.

Hoping to prevent a repeat of last year, the Greek National Tourism Organization has doubled its advertising budget in the United States, to \$2 million this year, and has hired such American celebrities

Its efforts appear to be paying off: Based on requests for tra-

procedures and bookings from to operators, the Greek tourist office is discussing a return to 1985 levels.

Airlines, eager to attract customers who last summer forsook the Continent for California, the Caribbean and other destinations closer to home, generally are holding the line on trans-Atlantic fares. Some are restoring or expanding service they had curtailed last year.

Alitalia has increased its weekly service from New York to Milan and Rome to 19 flights from 12. Trans World Airlines has restored its five flights a week between New York and Athens after suspending that route in August 1986.

"There's a lot of pent-up demand out there," said Robert B. Czerni, vice president at TWA, whose summer bookings are up nearly 30 per

Some airlines and hotels are even offering bargains. Air France and TWA are waging a fare battle on flights to Paris. Until mid-May,

both carriers have set round-trip fares between New York and Paris at \$544, down more than \$120 from last year. The round-trip fares, however, jumped to \$667 after March 1. The intercontinental hotel chain, as slashed prices at its deluxe European hotels to offset the sliding dollar and to attract price-conscious leisure travelers. From July through Aug. 31, a double room at the Paris Continental will cost \$30 a night, down from \$32 last year ago.

Meanwhile, travelers are signing up in droves for package tours that often include meals and air and ground transportation at prices that were guaranteed months ago when the dollar was stronger.

Officials at American Express Vacations say they expect the

1-800-6-THRU-11-11 M

Solvent Spill Kills Utah Man
United Press International
NORTH SALT LAKE, Utah—A laboratory spill of trichloroethylene, a solvent that gives off dangerous fumes, killed one man and injured at least six persons on Tuesday. It also forced the evacuation of a two-mile (3.2-kilometer) area because of fears that wind and

the toxic solvent.

the toxic solvent.

The institute said the report was commissioned by the Ministry of the Environment on March 12, after

the environment on March 13 also increased radiation had been recorded in Finland and Sweden and then in Austria and West Germany.

■ **Belgian Power Cutoff**

The electricity company Elbas said Tuesday that it was shutting down two of its four nuclear reactors in Doel, Belgium, because of the lower power demand during the Easter holidays. The Associated Press reported. It added, however, that the shutdown would enable its engineers to take a "preventive rest." They have been running the four reactors since workers went on strike on March 20 and have been working 12-hour shifts daily.

They still have doubts about the "proof" offered by Washington to demonstrate that Libya was behind the West Berlin discotheque bombing.

"Trust is the essential substance of an alliance," cautioned a West German official. "It should not be gambled with."

For Western Europe — particularly for Britain and France — the raids against Libya were only one chapter in a tumultuous year of terrorism and only one factor that compelled police and intelligence agencies to take tougher anti-terrorist measures.

In September, Paris was shaken by a wave of bombings that seemed

Once on European soil, American airlines will have to offer more promotions to persuade people to book tickets within the next 3

travellers will find most prices are generally higher. While Eurail passes, for example, cost 7 percent to 11 percent more than last year, sales are up 15 percent, according to Dagobert M. Scher, a Eurail spokesman.

Avis raised its rental car prices in Europe by 10 percent this year, but expects to match record sales levels set in 1985.

At least some Americans, however, are clinging to the hope that the mass exodus to Europe does not materialize and that the travel industry will have to slash prices.

"In years past, people made summer plans in February and March, and they were wronged," said Jeffrey F. Krimler, vice president for corporate communications at Pan American World Airways. "Now they're booking departure dates closer to the actual departure to see what develops."

Steven E. Heydt, a marketing vice president at Liberty Travel in Paramus, New Jersey, predicted

days. At the current prices, he said, "people are hesitating."

Even with the optimistic forecasts, travel agents wince at the word "terrorism" and concede that a repetition of last year's turmoil could send the industry into a nosedive. For now, however, travel agents and airline officials say that most travelers have put that fear behind them.

"People aren't being seduced by hype about terrorism," said Donald Ford, chairman of the European Travel Commission, a consortium of West European national tourist offices.

John M. Fellenzen, a 51-year-old investment manager in New York, canceled a nine-day bicycle trip in northern Italy in the spring of 1986 after the U.S. raid on Libya. This year, however, Mr. Fellenzen and his wife signed up for a nine-day trip in May along Italy's Po River.

"Gadhafi's quieter," he said, referring to the Libyan leader, "and we're happy we're not."

(Continued from Page 1)

ey, featured performances of Saverio's Mess in B flat and an over-

concerto, under the supervision of the eminent Schuklin Hetrick, a musicologist and associate professor of music at an Academy Award as the laureate Salieri, sent a video tape that was shown at the concert. The film certainly gave Salieri a boost. Hetrick was quoted as saying, "As in the 1780s, in the 1980s everyone's heard of him."

Dr. Angermüller is director of the International Mozart Foundation, which collaborates with Vienna's Society of the Friends of Music in mounting the biopic show. "The Japanese want only original documents," he said. "They did not want photocopies." He said the exhibition would be repeated next year in Salzburg.

A news agency report on the New Jersey concerts suggested that the performance of the Mass might have been the first since the composer's lifetime, but Dr. Angermüller dismissed this. It might have been the first performance in the country since the 18th century.

Salieri supposedly, before his death at 74 in 1825, confessed to poisoning Mozart, but historians do not take this seriously. In 1830, Pushkin made such a poisoning the climax of his dramatic poem "Mozart and Salieri," which was the basis for an opera by Rimsky-Korsakov.

Mozart, in letters to his father, complained of Salieri's "intrigues," but Mozart habitually suspected intrigue. And in a letter near the end of his life he reported that he had invited Salieri to a performance of "The Magic Flute" and that Salieri cried "bravo" or "bello" after every number. Dr. Angermüller writes, in the New Concise Dictionary of Music and Musicians, that "the rumor that Salieri poisoned Mozart is without foundation."

The real Salieri was not only a prolific composer but the most powerful individual in the Viennese musical world for almost half a century.

Peter Shaffer's Salieri underwent role and personality change from

At first, he was depicted with more sympathy as the patron saint of mediocrities, "condemned to a vast knowledge of music to comprehend the genius of Mozart without being able to match it." In the film, he is almost demonic, viewing Mozart's deathbed requiem as the Requiem in a "relentless lust to snatch a piece of divinity for myself," in Mr. Shaffer's words. The playwright conceded in 1984 that the scene was "obviously indisputable on factual grounds but, I think, just as obviously defensible: those theatrical and cinematic

مکتبہ اسلامیہ

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described, and as many as 500 prisoners taken over a three-month period since January — appeared to be viewed by the Libyans as unsec-

“What are we doing fighting there?” said one middle-class Libyan.

“The Libyan people don’t care about Chad,” said one diplomat.

“The war was a very personal affair of Ghadhafi.”

But the public has still been kept officially uninformed about the defeat in Chad.

Colonel Ghadhafi retains control, the diplomat said, through a system of security police and revolutionary committees, a civil force to the military created by the colonel to represent what he called “people power.”

The committees exist in all sections of the government.

But the ministers have negligible authority, according to diplomats

As a demonstration of the colonel's internal power, the diplomat said that for the first time in three years there were televised hangings and executions in February.

Six civilians were hanged in a sports arena about one-third filled with chanting Libyans and three military officers were shot.

As part of his display of being indisputable control, the colonel has made five speeches since early March.

Of particular note to foreign officials

In his remarks by satellite hookup at a conference on terrorism in Geneva on March 20, the Libyan press agency quoted Colonel Gaddafi as

ing: "Counterterrorism shall continue as long as the Israelis remain in occupation of Palestine and conduct terrorism acts against the Palestinian people."

A Western diplomat said he had understood the Libyan leader's use of the word "counterterrorism" to be his justification for attacks against Western targets.

CAPE CANAVERAL, Florida
The space shuttle

NASA had set Feb. 18, 1988, as a target for the next flight. The recommendation, made in Washington by Arnold Adcock III, is being considered by Admiral Richard H. Truly, the space agency's associate administrator for space flight. Early top shuttle officials at the Kennedy Space Center.

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Prudential-Bache Capital Funding

April 1987

مكتبة النهر

By SHERRY BUCHANAN

'Women burst into tears when they can't make their point.'

See CRY, Page 17

Reuters

By Thomas C. Hayes

By Stuart Auerbach

A SAFRA BANK

FIGURES AS AT DECEMBER 31, 1986:

TOTAL ASSETS:
US \$ 168 billion

SHAREHOLDERS' EQUITY:
US \$ 1.6 billion

NYSE Most Actives					
Vol.	High	Low	Last	Chg.	
VITechn	6879	30 1/2	28 1/2	28 1/2	+1 1/2
AET	5250	10 1/2	10 1/2	10 1/2	+1 1/2
IRAC	4147	10 1/2	10 1/2	10 1/2	+1 1/2
NVEE	3772	7 1/2	7 1/2	7 1/2	+1 1/2
GenTel	2071	10 1/2	10 1/2	10 1/2	+1 1/2
AmGen	1525	4 1/2	3 1/2	3 1/2	+1 1/2
Dow	1017	17 1/2	16 1/2	16 1/2	+1 1/2
Dow	1017	17 1/2	16 1/2	16 1/2	+1 1/2
AmExp	1017	17 1/2	16 1/2	16 1/2	+1 1/2
UAL	1916	7 1/2	6 1/2	6 1/2	+1 1/2
Prime	1017	17 1/2	16 1/2	16 1/2	+1 1/2
GenTel	1017	17 1/2	16 1/2	16 1/2	+1 1/2
GenTel	1017	17 1/2	16 1/2	16 1/2	+1 1/2
UCarb	1767	27 1/2	26 1/2	26 1/2	+1 1/2

Market Sales					
NYSE 4 p.m. volume	364,540,000				
NYSE adv. cons. close	29,874,000				
Amex 4 p.m. volume	20,800,000				
Amex adv. cons. close	15,760,000				
OTC 4 p.m. volume	163,714,000				
OTC prev. 4 a.m. volume	134,896,000				

NYSE Index					
High	Low	Close	Chg.		
Composite	10544	10544	128.21	-3.83	
Industrials	19544	19227	192.71	-4.31	
Transp.	15319	15319	152.64	-1.11	
Utilities	7035	6789	69.21	-1.81	
Finance	14717	14459	143.71	-4.11	

Tuesday's

NYSE

Closing

Via The Associated Press

AMEX Diary					
Class	Prev.				
Advanced	156				
Declined	399	481			
Unchanged	199	210			
Total Issues	654	691			
New Highs	16	16			
New Lows	27	14			

NASDAQ Index					
Class	Chg.	Week	Year		
Composite	418.39	418.39	418.39		
Industrials	448.39	419	429.39		
Transp.	368.39	368.39	368.39		
Utilities	368.39	368.39	368.39		
Finance	368.39	368.39	368.39		
Bank	368.39	368.39	368.39		
Transp.	368.39	368.39	368.39		

AMEX Most Actives					
Vol.	High	Low	Last	Chg.	
DormP	2122	1 1/2	1 1/2	1 1/2	+1 1/2
NYTime	4216	4 1/2	4 1/2	4 1/2	+1 1/2
Block	4216	4 1/2	4 1/2	4 1/2	+1 1/2
Block	4216	4 1/2	4 1/2	4 1/2	+1 1/2
WJH	4216	4 1/2	4 1/2	4 1/2	+1 1/2
TIE	4216	4 1/2	4 1/2	4 1/2	+1 1/2
GenTel	4216	4 1/2	4 1/2	4 1/2	+1 1/2
AmGen	4216	4 1/2	4 1/2	4 1/2	+1 1/2
AmExp	4216	4 1/2	4 1/2	4 1/2	+1 1/2
UAL	4216	4 1/2	4 1/2	4 1/2	+1 1/2
Prime	4216	4 1/2	4 1/2	4 1/2	+1 1/2
GenTel	4216	4 1/2	4 1/2	4 1/2	+1 1/2
GenTel	4216	4 1/2	4 1/2	4 1/2	+1 1/2
UCarb	4216	4 1/2	4 1/2	4 1/2	+1 1/2

NYSE Diary					
Buy	Sales	Chg.			
April 11	454,137	709,316	1,400		
April 10	471,361	795,780	1,241		
April 9	299,190	604,280	12,886		
April 8	401,585	700,261	9,646		
April 7	427,499	674,734	5,863		
*Included in the sales figures					

Dow Jones Averages					
Open	High	Low	Last	Chg.	
Indus	222,571	222,849	221,244	222,292	-34,007
Transp	192,148	192,148	191,148	191,148	-1,000
Util	67,321	67,321	67,321	67,321	-1,000
Comp	645,571	645,571	645,571	645,571	-1,000

Standard & Poor's Index					
High	Low	Close	Chg.		
Industrials	221.78	220.44	220.40	-7.20	
Transp.	224.14	224.10	223.40	-3.70	
Utilities	104.93	102.59	103.98	-3.07	
Finance	104.93	102.59	103.98	-3.07	
Bank	104.93	102.59	103.98	-3.07	
SP 100	224.76	224.76	224.76	-4.75	

NASDAQ Diary					
Class	Prev.				
Advanced	423	423			
Declined	423	423			
Unchanged	423	423			
Total Issues	423	423			

AMEX Stock Index					
High	Low	Close	Chg.		
n.a.	n.a.	326.17	-7.97		

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Trade Deficit Undercuts Dow

Compiled by Our Staff From Dispatches

NEW YORK — Prices on the New York Stock Exchange were sharply lower Tuesday in the market's second heaviest trading day as a larger-than-expected U.S. trade deficit fueled investors' fears on interest rates and inflation.

At the close, the Dow Jones industrial average was 34.09 lower, at 2,252.98.

"A lot of market participants, concerned about the falling dollar and rising interest rates, realized all at once that this market is in a correction and they rushed to the exit at the same time," Michael Metz, an analyst with Oppenheimer, said.

At one point late in the session, the Dow was off 68 points, but in the last hour the market attracted enough investors seeking bargains to cut its losses in half.

Declining issues led advances by a 13-to-1 margin as volume soared to about 268 million shares from 181 million on Monday.

Monday's volume was eclipsed only by the record 302.4 million shares that traded on Jan. 23.

"We are at a stage where the market is perpetuating its own direction just like it did when it was on the way up," Mr. Metz said.

"The concerns are the falling dollar, rising interest rates and accelerating inflation, but this decline has more to do with trend-following and a sudden and decisive change in sentiment than with fundamentals," he said.

Jerry Hinkle, a trader with Sanford C. Bernstein & Co. said, "Disappointment with the trade deficit, and the resultant downward pressure on the dollar and the upward pressure on interest rates are poisoning this market."

The U.S. merchandise trade deficit in February was \$15.1 billion, while most analysts had expected a gap of about \$13 billion to \$14 billion.

The wider deficit fueled further weakness in the dollar on the belief that the currency has not fallen enough to make U.S. products competitive enough overseas to end the nation's trade problems.

The market, sensitive to the dollar, is concerned that any further weakness in the currency and subsequent hints of accelerating inflation would give the Federal Reserve the incentive to tighten credit to support the dollar.

Adding to the market's problems is the shying away of foreign investors from U.S. securities because of a significant currency loss they record in translation as a result of the falling dollar.

"We are seeing the Japanese using their excess funds to invest in their own markets instead of running the risk of currency loss when investing in the U.S.," Mr. Metz said.

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Trade Deficit Undercuts Dow

Compiled by Our Staff From Dispatches

NEW YORK — Prices on the New York Stock Exchange were sharply lower Tuesday in the market's second heaviest trading day as a larger-than-expected U.S. trade deficit fueled investors' fears on interest rates and inflation.

At the close, the Dow Jones industrial average was \$4.09 lower, at 2,525.98.

"A lot of market participants, concerned about the falling dollar and rising interest rates, realized all at once that this market is in a correction and they rushed to the exit at the same time," Michael Metz, an analyst with Oppenheimer, said.

At one point late in the session, the Dow was off 68 points, but in the last half hour the market attracted enough investors seeking bargains to cut its losses in half.

Declining issues led advances by a 13-to-1 margin as volume soared to about 268 million shares from 181 million on Monday.

Monday's volume was eclipsed only by the record 302.4 million shares that traded on Jan. 23.

"We are at a stage where the market is perpetuating its own direction just like it did when it was on the way up," Mr. Metz said.

"The concerns are the falling dollar, rising interest rates and accelerating inflation, but this decline has more to do with trend-following and a sudden and decisive change in sentiment than with fundamentals," he said.

Jerry Hinkle, a trader with Sanford C. Bernstein & Co., said, "Disappointment with the trade deficit, the resultant downward pressure on the dollar and the upward pressure on interest rates are pounding this market."

The U.S. merchandise trade deficit in February was \$15.1 billion, while most analysts had expected a gap of about \$13 billion to \$14 billion.

The wider deficit fueled further weakness in the dollar on the belief that the currency has not fallen enough to make U.S. products competitive enough overseas to end the nation's trade problems.

The market, sensitive to the dollar, is concerned that any further weakness in the currency and subsequent hints of accelerating inflation would give the Federal Reserve the incentive to tighten credit to support the dollar.

Adding to the market's problems is the shying away of foreign investors from U.S. securities because of a significant currency loss they record in translation as a result of the falling dollar.

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INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 14 April 1987

ALMA MANAGEMENT					INTERNATIONAL INCOME FUND					Other Funds				
Fund Name	Assets	Share Price	Yield	Chg.	Fund Name	Assets	Share Price	Yield	Chg.	Fund Name	Assets	Share Price	Yield	Chg.
ALMA MANAGEMENT	\$ 27.40	10.00	10.00	0.00	INTERNATIONAL INCOME FUND	\$ 100.00	10.00	10.00	0.00	Other Funds	\$ 100.00	10.00	10.00	0.00
ALMA MANAGEMENT	\$ 27.40	10.00	10.00	0.00	INTERNATIONAL INCOME FUND	\$ 100.00	10.00	10.00	0.00	Other Funds	\$ 100.00	10.00	10.00	0.00
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ALMA MANAGEMENT	\$ 27.40	10.00	10.00	0.00	INTERNATIONAL INCOME FUND	\$ 100.00	10.00	10.00	0.00	Other Funds	\$ 100.00	10.00	10.00	0.00

Be sure that your fund is listed in this space daily. Telex: Matthew GREENE at 613595F for further information.

Continued on next left-hand page

BUSINESS ROUNDUP

Contel Seeks to Cancel Plan for Comsat Merger

United Press International

WASHINGTON — Communications Satellite Corp. said Tuesday that Contel Corp. had asked to terminate a planned \$2.47 billion merger because of a government order requiring Comsat to pay to the FCC for its services.

Officials of the companies, whose shareholders agreed in February to merge, said they would meet and discuss the situation. The merger was expected to save the companies \$20 million a year and give them more clout in the highly competitive telecommunications marketplace. The merged company would keep the name Comsat.

Approval had been expected either this month or in May from the Federal Communications Commission.

But an unrelated order by the commission issued last week caused Contel to back out, Comsat said in a statement.

The agency's Common Carrier Bureau, after a review of Comsat's rate structures, on April 6 tentatively ordered the company to refund \$62 million to its customers.

Italian Banks To Help Finance Soviet Ventures

Reuters

MILAN — State-owned Banca Commerciale Italiana said Tuesday that it and Mediobanca would sign a joint-venture agreement with Soviet banks to provide financial services and take equity stakes in Soviet-Italian industrial ventures.

Two state-owned French banks, Crédit Lyonnais and Banque de l'Union Européenne, have announced similar agreements with the Soviet central bank, Gosbank, and the foreign trade financial institution, Vneshtorgbank. A new law allows foreigners to hold equity in Soviet companies.

The Italian banks will have a 50 percent interest in a company to be formed by the four financial institutions.

The joint venture will operate primarily in the corporate finance sector, said Banca Commerciale, Italy's second largest bank. Mediobanca provides medium-term export financing.

Texaco Crash-Lands In Quiet Little Court

By Paul Richter

Los Angeles Times Service

NEW YORK — Howard Schwartzberg has spent most of his 16 years as a federal bankruptcy judge in quiet White Plains, New York, overseeing the reorganization of small companies and arranging matters, he says, "so nice suburban couples could hang on to their homes."

But Judge Schwartzberg knew he was in for a change Sunday morning when four attorneys for Texaco Inc. showed up in the backyard of his home in Larchmont, New York, where he was reading a newspaper. They handed him a foot-high (30-centimeter) stack of papers that represented the initial filings in the largest case ever brought under Chapter 11 of the U.S. Bankruptcy Code.

The reorganization of Texaco, the eighth-largest U.S. industrial company, "will certainly be something different," said Judge Schwartzberg, 57.

He is the only federal bankruptcy judge sitting in White Plains, where Texaco has its headquarters. So the case fell to him, though most of the New York area's big bankruptcies have been fought out in the bustling chambers of federal court in Manhattan.

Judge Schwartzberg acknowledged that his staff is a little overwhelmed by the task ahead — and by the work that has begun piling up. Already, demands for extra copies of documents are straining the office's aging copy machine, and the two phone lines were busy all day Monday.

"The staff is numb," said the judge, who received undergraduate and law degrees from New York University. "We've gotten permission to add three temporaries, and we may need more. We may need more phone lines, too."

Texaco attorneys formally turned the case over to Judge Schwartzberg after shadowing him

all day Saturday to make sure they could reach him with the papers before a court hearing that was to begin Monday in Houston. When the judge, his wife and another couple sat down for dinner Saturday night at a French restaurant in White Plains, a Texaco lawyer stuck his head in to make sure of the judge's whereabouts.

Their shadow appeared again as the couples got to dessert.

Judge Schwartzberg is the long-serving bankruptcy judge in the Southern District of New York, which includes the courts of New York City and jurisdictions as far north as Poughkeepsie. Perhaps the most widely known of his cases was the 1977 bankruptcy of the Westchester Premier Theater, of Tarrytown, New York.

His questions about missing ticket proceeds led to an FBI investigation that found that "skimming" had driven the live performance theater to bankruptcy. Prosecutors pursued a series of related cases for five years, convicting several organized crime figures, as well as two senior executives of Warner Communications.

New York bankruptcy attorneys who know Judge Schwartzberg predict that he will be a quiet and low-key presence, rather than a colorful one. "He'll be a calming presence," said one attorney, Martin Klein. "He doesn't generally do things to get himself in the limelight."

Others said he can be unpredictable, too. "The bankruptcy code skews everything in favor of the debtor, but Judge Schwartzberg is not as knee-jerk as some in that direction," said another attorney.

Judge Schwartzberg, who has three grown children, said he hopes the case will not continue for the three years that some bankruptcy experts are predicting.

"I know it's supposed to be historic, but I'm hoping that doesn't mean never-ending," he said.

PENNZOIL: Hand Overplayed?

(Continued from first finance page)

you should have settled for what in effect was 20 cents on the dollar," Mr. Kerr said. "I don't see how we possibly could have justified it."

He argued that, instead of losing bargaining leverage to Texaco in the bankruptcy action, Pennzoil's position actually improves. The combination of regular cash flows and elimination of dividends and interest and principal payments on nearly \$7 billion of debt brightens the prospects for all Texaco creditors to be repaid in full, he said.

With the bankruptcy filing, Texaco "took an action that preserves their assets much more effectively than what we were proposing," Mr.

Kerr said. He was referring to the request Pennzoil made to the state appellate court last Friday that Texaco cut its dividend payments in half while securing half of the \$10 billion judgment with collateral to continue its appeal.

Pennzoil and Texaco agreed in court documents filed in Houston last week that Texaco's total assets, more than \$34 billion, were more than adequate to pay \$10 billion if Texaco lost its appeals. Texaco used that argument in saying it should not be required to post a bond.

Both Texaco's assets and net worth, currently more than \$13 billion, could erode, however.

Far East Growth Fund

Société d'investissement à capital variable

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Metallgesellschaft Profit Rose 14% in Year

Reuters

FRANKFURT — Metallgesellschaft AG reported Tuesday that domestic group net profit for the year ended Sept. 30, 1986, rose nearly 14 percent to 69.94 million Deutsche marks (\$38.7 million) from 61.44 million DM the previous year.

Revenue declined to 9.75 billion DM, from 11.21 billion. The dividend was unchanged at 6 DM.

The parent company's net profit rose to 53.6 million DM, from 43.8 million, on revenue that also declined, to 7.27 billion from 8.84 billion.

The chief financial officer, Werner Busch, said the rise in profit came on earnings from chemicals and manufacturing. Declines in revenues in trading operations had little effect on the overall earnings, he said.

The management board chairman, Dietrich Natus, said that revenues fell on declines in base metal prices, especially for the company's

major metal, zinc, which hurt results from mining and primary smelting. Prices also fell on the dollar's decline, which lowered value in mark terms.

Mr. Natus said profits may stagnate or decline in the current year unless metals prices improve and the dollar strengthens.

He declined to estimate a dividend. He said profit so far this year had been lower, but did not rule out improvements from the current level for the entire year.

To compensate for low metal prices and high domestic energy costs, Metallgesellschaft has strengthened its mining activities abroad, particularly in Canada, Mr. Natus said.

He said that despite high domestic production costs, the company had no plans to shut down any West German smelters.

The firm reduced output in one zinc and lead mine last fall, but Mr. Natus said zinc production this year remained at last year's level.

Primary zinc output fell to 198,990 metric tons (219,000 short tons) from 201,298 in 1985-86.

In the domestic group, the company said, revenue from raw materials fell to 5.67 billion DM from 7.31 billion, from manufacturing to 1.63 billion from 1.65 billion, and from plant engineering and contracting to 1.45 billion from 1.58 billion. Revenue from chemicals rose to 1.15 billion DM, from 1.08 billion.

Mr. Busch estimated losses in the mining division this year at about 40 million DM more than last year. Metallgesellschaft is negotiating a part sale of its 98.9 percent stake in nickel producer Vereinigte Deutsche Metallwerke AG. Losses for the depreciation of the company's nickel stocks were larger than operating earnings last year, Mr. Busch said.

Mr. Natus did not rule out divesting a majority stake in the company sometime soon, but did not name a buyer.

A New Bid by Partnership Values Taft at \$1.44 Billion

Reuters

CINCINNATI — A group called TFBA Limited Partnership said Tuesday that it had offered to acquire all the shares of Taft Broadcasting Co. It does not already own for \$155 in cash a share. The offer values the company at \$1.44 billion.

Alternatively, the group offered \$142 in cash and one common share of FMI Financial Corp., the general partner of TFBA.

TFBA said its limited partners are American Financial Corp., which owns 72 percent of FMI; the Taft Broadcasting Co. vice chairman, Dudley S. Taft, and interests associated with Robert M. Bass, the Fort Worth, Texas, investor.

An investment group led by Mr. Bass has been accumulating shares in Taft Broadcasting since 1985. Carl H. Lindner, chairman of American Financial, made a takeover bid for Taft in March. Mr. Taft, the son of Hubert Taft Jr., who founded the company 28 years ago, also made a joint bid with the investment banking company Narra-gansett Capital Inc. of Providence, Rhode Island. In March, the Taft board unanimously rejected Mr. Taft's offer of \$145 a share, which was valued at \$1.35 billion.

TFBA said that THETA Corp., owned by Dudley Taft and Narra-gansett Capital Inc., had dropped its offer of \$150 per share, which was raised from \$145 on March 17. At that time, THETA said it was prepared to negotiate a transaction

in which Taft shareholders would receive more than \$150 per share. TFBA said its members now own about 42 percent of Taft's stock.

On March 9, American Financial said it owned 1,489,298 shares, or 16.2 percent. Dudley Taft owns about 12 percent of Taft's stock.

Purolator Board Backs Emery Bid

Reuters

NEW YORK — Purolator Courier Corp. said Tuesday that its board had recommended that shareholders accept a \$40 a share cash tender offer by a unit of Emery Air Freight Corp. for about 83 percent of Purolator.

The company said it was talking with Emery to try to reach a merger agreement at the same price as the tender, including the issuance of debentures for remaining Purolator shares. The total offer, begun April 1 by Emery's EAF Acquisition Corp., is valued at \$300 million. It expires April 28. Both Emery and Purolator are in the express package delivery business.

A group including members of Purolator management and E.F. Hutton Group Inc. had bid \$265 million for Purolator, but that offer expired last Thursday without the purchase of any Purolator stock.

NOTICE OF REDEMPTION

NICOR Overseas Finance N.V.

Has Called for Redemption all its 10% Convertible Subordinated Debentures Due May 1, 1995

NOTICE IS HEREBY GIVEN that pursuant to the terms of the Indenture dated as of May 1, 1980, as supplemented, among NICOR Overseas Finance N.V. (the "Company"), NICOR Inc. (the "Guarantor") and Irving Trust Company (the "Successor Trustee"), the Company has elected to redeem on May 1, 1987 (the "Redemption Date") all of its outstanding 10% Convertible Subordinated Debentures due May 1, 1995 at 102.50% of their principal amount (the "Redemption Price"). Interest will be paid on May 1, 1987 in the usual manner.

The Debentures may be surrendered for payment with all coupons maturing after the Redemption Date at the offices of one of the Paying Agents listed below:

- Continental Bank / International, One Liberty Plaza, New York, NY 10006
- Continental Bank / 30 North LaSalle Street, Chicago, IL 60697. Attention: Corporate Trust Operations, 16th Floor
- Continental Bank S.A., 227 Rue de la Loi, 1040 Brussels, Belgium
- Continental Bank / Branch, 162 Queen Victoria Street, London EC4A 3BS, England
- Continental Bank / Branch, 10 Avenue Montaigne, 75008 Paris, France
- Continental Bank / Branch, Bockenheimer Landstrasse 24, 6000 Frankfurt/Main, West Germany, Federal Republic of Germany
- State Street Bank (Switzerland), Bahnhofstrasse 18, P.O. Box 5033, CH-8022 Zurich, Switzerland
- Banque Internationale à Luxembourg S.A., 2 Boulevard Royal, Luxembourg, Luxembourg

NO INTEREST WILL ACCRUE ON THE DEBENTURES ON AND AFTER THE REDEMPTION DATE, AND THE COUPONS FOR SUCH INTEREST SHALL BE VOID.

The Debentures are presently convertible into Common Stock of the Guarantor at the rate of 27.997 shares of Common Stock for each \$1,000 principal amount of the Debentures. The right to convert Debentures into Common Stock will expire at the close of business on April 27, 1987 and after that date no further conversions of the Debentures will be made. Accrued and unpaid interest will not be paid on Debentures which are converted.

Debentures may be surrendered for conversion, together with all unmaturing coupons appertaining thereto, at the offices of one of the Paying Agents listed above, together with a written notice of election executed by the holder that the holder elects to convert such Debentures in accordance with the provisions of Article Eleven of the Indenture and specifying the name(s) in which the shares of Common Stock deliverable upon such conversion shall be registered, with the address(es) of the person(s) so named.

NICOR Overseas Finance N.V.

Dated: March 27, 1987

Plan for Bond To Acquire 12% Of San Miguel

Agence France-Press

MANILA — San Miguel Corp., the largest Philippine company, will sell 12.05 percent of its stock to Bond Corp. Holdings of Australia for 2.199 billion pesos (\$110 million), industry sources said Tuesday.

The plan calls for Bond to acquire 11.6 million class B shares from a block of 14.66 million stock acquired by the government last year, they said. Bond also would buy 3.105 million unregistered B shares from San Miguel benefit plans.

The sale needs the approval of President Corason C. Aquino and the lifting of a government order restraining share sales. The seizure was made on the ground that the shares had been illegally acquired by Eduardo M. Cojuangco, an associate of the former president, Ferdinand E. Marcos.

The purchase would give Bond the second largest stake in the brewing and food group after the government.

Suzuki-GM Unit to Build 80,000 Cars in Canada

Reuters

TOKYO — Cami Automotive Inc., a Canadian venture equally owned by Suzuki Motor Co. and General Motors Corp., will produce 80,000 four-wheel-drive Samurais and 120,000 Sprint compact cars annually from 1989, a company spokesman said.

GM will market 104,000 Sprints and 56,000 Samurais each year, while the other vehicles will be sold through Suzuki's sales network in North America, the spokesman said.

Hutton

MANAGED CURRENCIES PROGRAM

PERFORMANCE RESULT FOR BEGINNING EQUITY OF

\$ 20,000

JANUARY 1st 1987

HAS BECOME

\$ 23,422

APRIL 1st, 1987

AFTER ALL COMMISSIONS

NEXT RESULT IN MAY 15th ISSUE

THERE IS NO MANAGEMENT FEE

PAST PERFORMANCE IS NO GUARANTEE

OF FUTURE PERFORMANCE

Please contact

Oliver Dutton

P.O. Box 100

43 Avenue Montezuma

7514 PARIS - FRANCE

Tel: 47 23 41 51

Telex: 530755

Fax: 47 23 520

FOR NON-FRENCH RESIDENTS ONLY.

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Tuesday's AMEX 3pm

Via The Associated Press

12 Month High Low	Stock	Div. Yld. PE	52 High Low	3PM. Quot. Chg.
15 17 1/2	ACI	1.2 1.2	14 14 1/2	14 1/2
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15 17 1/2	ACI	1.2 1.2	14 14 1/2	14 1/2
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Everything under the sea.

Clams: A thousand ways to prepare them and all equally as good. Grilled, boiled, in a sauce, raw... and so on. You'll find it difficult to make up your mind, so why not try them all?



Oysters: When you've savoured the first dozen, you'll feel like going back for more. Even though you may not have found any pearls.



Shrimps: Slightly smaller than prawns but even tastier. Wonderful as a starter to a seafood feast.



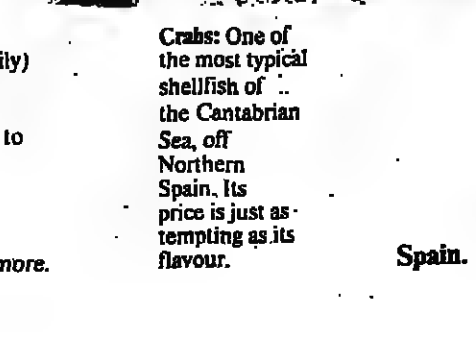
Lobster: The king amongst Spanish seafood. You can't get it fresher anywhere. Nor at a better price.



Carabineros: One of the tastiest shellfish. Perfect at any time of the day.



Whelks: Characteristic of the coast of Andalusia and found in any of the fisherman's taverns where you may decide to start the evening with an aperitive.



To the North, Spain's coastline can be seen in terms of oysters, lobsters, mussels, clams... To the South and to the East in terms of prawns, crayfish, "cigalas" (another of the endless lobster family) cockles... And to the West with endless types of crab, barnacles... Three different seas and a thousand ways to enjoy Spain. When you come here, go into any fisherman's tavern and give your eyes a feast. Your only problem will be choosing from the enormous range of seafood you'll find. And as for the bill... yet another surprise. You might come back for more.

Crabs: One of the most typical shellfish of the Cantabrian Sea, off Northern Spain. Its price is just as tempting as its flavour.

Spain. Everything under the sun.

Floating-Rate Notes

April 15

Country	Notes	Rate
Canada	100 Canadian Dollars	1.00
France	100 French Francs	1.00
Germany	100 German Marks	1.00
Italy	100 Italian Lira	1.00
Japan	100 Japanese Yen	1.00
UK	100 British Pounds	1.00
US	100 US Dollars	1.00

Source: Credit Suisse-First Boston Ltd.

London

100 British Pounds

100 US Dollars

100 Japanese Yen

100 German Marks

100 French Francs

100 Canadian Dollars

100 Italian Lira

100 Swiss Francs

100 Australian Dollars

100 New Zealand Dollars

100 Hong Kong Dollars

100 Singapore Dollars

100 Thai Baht

100 Malaysian Ringgit

100 Indonesian Rupiah

100 Philippine Peso

100 Vietnamese Dong

100 South African Rand

100 Botswana Pula

100 Lesotho Pula

100 Swaziland Lilangeni

100 Malawi Kwacha

100 Zambian Kwacha

100 Mozambican Escudo

100 Namibian Dollar

100 Botswana Pula

CURRENCY MARKETS

DOLLAR: U.S. Trade Deficit Pushes Currency Down

(Continued from Page 1)

discount rate increase, "I think we shouldn't be tightening now." For the most part, the stock market took its lead from the bond market. Even though the link between stocks and bonds has been tenuous since the start of the year as the Dow Jones industrial average has continued to reach new highs, the sudden, steep decline in bond prices was too severe for equity traders to ignore.

"Stocks followed bonds down," said John Grovesman, head of equity trading at Lazard Freres. "The people in the bond pits had strong feelings."

The 30-year Treasury bond, a bellwether for interest rates, plunged to just above 8 1/2% for a yield of 8.34 percent after the deficit was announced, before recovering to 90 5/32 and an 8.41-percent yield, up slightly 8.35 percent Monday.

In Europe, after the trade figures were announced, "the market did push the dollar down to lows of 140.30 yen and 1.7960 DM, but then it rallied back to around 141 yen and 1.8030 DM," said Robin Bauer, vice president of foreign exchange at Drexel Burnham Trading Corp. in New York.

"The central banks came in right after the trade figures," said a dealer for a West German bank. "The market had been expecting a deficit of about \$14.3 billion, but with the January revision, today's number looked very bad."

"Now everyone is watching to see if the Fed comes in to support the dollar."

The trade figures were a setback for the Reagan administration's policy of lowering the dollar's value against other major currencies to reduce the severe imbalances with

London Dollar Rates

Currency	Unit	Rate
Deutsche mark	100	1.8030
Swiss franc	100	1.4850
Japanese yen	100	141.00
French franc	100	1.7960
British pound	100	1.7960

Source: Reuters

its principal trading partners. The January deficit was originally reported as \$14.8 billion but was revised to include additional data on actual shipments, the Commerce Department said.

Despite Tuesday's intervention, Ms. Bauer of Drexel Burnham said the market generally feels that the European central banks have been less than wholeheartedly defending the Paris agreement.

"The Bundesbank's market presence after the Paris meeting has not been aggressive. The key has been the yen/mark cross-rate," she said.

"The Europeans have been lukewarm to stabilizing at a level of 80 yen per mark."

"That's a very weak yen, and they don't want that because it would allow too much import penetration by the Japanese in the European market."

Ms. Bauer said that in the next few days she saw the dollar "weakening a bit more against the yen in the context of a stable Deutsche mark."

In Europe, there is growing speculation that the Bundesbank, West Germany's central bank, may soon lower its discount rate, currently at 3 percent, to 2.75 percent. The discount rate has been as low as 2.75 percent only once since World War II, in 1959.

The dollar had been declining before the release of the trade data. It fell to a postwar low of 141 yen in hectic Tokyo trading Tuesday, af-

ter taking a pounding on the U.S. market Monday. It later rose to close at 141.90 yen in Tokyo.

In many ways, the U.S. markets were vulnerable to Tuesday's panic opening. Bond and stock prices came under selling pressure late Monday on a rumor that the U.S. trade deficit had reached \$18 billion. Moreover, short-term interest rates rose, giving credence to rumors that the Fed had tightened its monetary policy to ease the turmoil in the currency markets.

The early pressure on the dollar Tuesday in Tokyo and then in Europe heightened concern.

"It was a gross overreaction," said Charles Lieberman, senior vice president and director of financial markets research at Manufacturers Hanover Securities Corp. "The markets were just poised to react to anything."

Byron Wein, investment strategist at Morgan Stanley, agreed.

"The mood of the market has totally shifted from the best of all possible worlds to the worst of all possible worlds."

In other trading in New York, the dollar closed at 59.725 French francs, down from 60.085 at Monday's close, and at 1.4785 Swiss francs, down from 1.4935.

The British pound rose to \$1.6360, from \$1.6271.

Earlier, in London, the dollar closed at 141.05 yen, down from 142.55 at Monday's close. It had traded as low as 140.35 yen. It closed at 1.8020 Deutsche marks, down from 1.8095, but above Tuesday's 1.7965 trading low.

In other European trading Tuesday, the dollar closed in London at 5.9955 French francs, down from 6.0163 at Tuesday's close. The British pound rose to \$1.6325, from \$1.6245.

Rand at a 12-Month High On Surge in Price of Gold

JOHANNESBURG — The surge in the price of gold and the low value of the dollar boosted the commercial rand above 50 U.S. cents Tuesday, its highest level since April 1985.

The rand closed at 50.14 cents, up from 49.72 cents at Monday's close. It had opened at 49.94, quickly breaching 50 cents and held throughout the day, dealers said.

Gold was fixed in London on Tuesday afternoon at \$442.40 an ounce, up about 10 percent since the beginning of the year. South Africa is the largest supplier of gold on the world market and gold accounts for more than 40 percent of its export earnings.

The weak dollar, which came under further pressure after the release of U.S. trade data Tuesday, gave the commercial rand extra support. The financial rand eased to 33.50 cents after opening steady at 34.00 cents. The financial rand was stipulated as the unit of investment last year when South Africa suspended markets and froze temporarily the repayment of foreign debt.

The commercial rand hit a record low of 34.60 cents in August 1985. Dealers said the South African Reserve Bank "inspired" the move above 50 cents in response to the continued rise in gold and to create confidence before next month's whites-only general election.

Berlin Is Said to Hold Up EC-Comecon Pact

International Herald Tribune

PARIS — The European Community and the Soviet-led trading bloc, Comecon, have basically agreed on establishing formal relations and agreement over the status of Berlin is holding up a final accord, a former European commissioner said Tuesday.

Viscount Etienne Davignon of Belgium, a former vice president of the EC's Brussels-based executive Commission, said that formal ties were "held up by the Berlin clause, not by fundamentals."

Mr. Davignon, who was speaking at the International Herald Tribune Paris, said that other obstacles to agreement had been overcome.

EC and Comecon negotiators met in Geneva last month to discuss establishing bloc-to-bloc relations and EC officials at the time said that the Berlin issue was the major impediment.

The Soviet bloc does not agree that West Berlin forms part of the European Community, as laid down by its founding Treaty of Rome.

For many years the 10 Comecon states refused to contemplate recognizing the EC at all and condemned it as the economic arm of the North Atlantic Treaty Organization.

Earlier talks on setting up such ties broke off in 1981 and were resumed last October.

Discussions with Comecon countries, Mr. Davignon said, that it represented only 7 percent of the EC's overall merchandise trade, although this figure did not include trading between the two Germanys. In the early 1970s, exports to Eastern Europe made up 10 percent of EC trade.

Mr. Davignon said he did not believe that EC-Comecon relations would lead to a dramatic increase in trade. He added that relations between the blocs would be primarily of political importance and would bring "a great number" of agreements.

Gold Hits 4-Year High on Trade Data

Compiled by Our Staff From Dispatches

NEW YORK — Gold futures closed Tuesday at their highest since February 1983 on heavy buying fueled by the dollar's fall and weakness in Wall Street stocks, which provoked a rush for the relative shelter of gold.

Gold and silver also traded at four-year highs in Europe.

On the New York Commodity Exchange, spot gold gained \$13.80 to \$450.90 an ounce. Bullion closed at \$450.75, up from Monday's \$436.85.

Silver futures also closed sharply higher in New York.

Silver for delivery in May was up 41.5 cents to \$7.28 an ounce after rising above \$7 for the first time since November 1985. Deferred months were up 42 cents.

Platinum futures also closed higher on sympathetic demand from a strong gold market. The leading July delivery was ahead \$19.40 at \$607.70 an ounce.

Richard Reese of Rosenthal & Co. said gold soared in New York amid concern that the dollar's fall would prompt foreign investors to withdraw from U.S. stocks and bonds.

The currency's slump on a bigger-than-expected trade deficit in February reinforced the bearish dollar mentality, he said.

On the London bullion market, gold was fixed Tuesday afternoon at \$442.40 an ounce, which dealers said was the highest since May 19, 1983.

Gold had traded as high as \$445.625 shortly after the opening but eased off on profit-taking.

The metal had risen \$14 an ounce in the previous two sessions. In Zurich, silver rose above \$7 an ounce for the first time since December 1984. It closed at \$7.09, 16 cents above the opening and 26 cents above the previous close.

Gold also hit a seven-month high in Zurich, closing at \$444.25 an ounce, \$4 above the opening and \$8 above the previous close. (Reuters, AFP, AP)

CRY: Tears of the Woman Executive

(Continued from first finance page)

a tax partner at Peat, Marwick, Mitchell & Co. Consultants in Paris. "You don't want to be seen as being weak in a man's world. There is an unwritten rule that you don't cry."

"In an ideal world," said Mrs. Borge, of the Industrial Society, "crying should be an acceptable part of behavior, just like men shouting and banging on the table is acceptable. But men are frightened of it. They don't know how to handle it because it allows emotion to get into an objective decision."

"Executive women shouldn't cry, not because I don't think it's right to cry," she said, "but because men

will avoid having women around who do."

Executive women who do cry often feel humiliated and vow never to do it again.

"I cried once in front of my managing director out of sheer frustration, but I'll never do it again," said a French executive woman who has been in the publishing business for 15 years and heads a book division in one of the main French publishing firms.

"It shows that you are vulnerable and that you are not in control of the situation," she said. "It creates a sadomasochistic relationship and, from the man's point of view, transforms a work relationship into an intimate one."

Market Talks Between France, Japan

PARIS — A French Treasury delegation left Tuesday for Tokyo to discuss the issue of reciprocal entry to French and Japanese financial markets, financial sources

said. The French team, led by Daniel Lebeque, director of the Treasury, will hold talks with Japanese officials about facilitating the granting of licenses for banking and securities house operations.

Tuesday's AMEX 3pm

(Continued)

12 Month High Low 3 P.M. Close

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